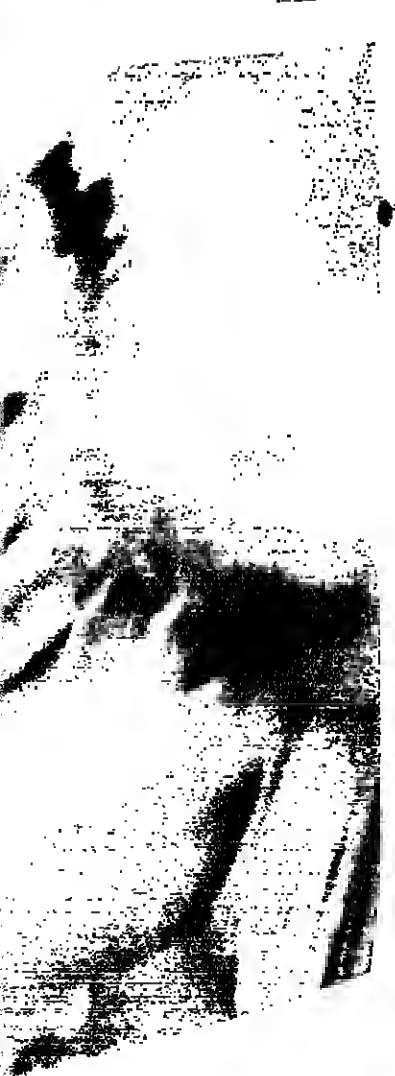


Officials in Shanghai opened a book on Chen, who grew up in the United States, in 1998. The book, published in Shanghai, sharply criticized the Chinese government and sometimes accused Chen of plagiarizing his own work. The book also criticized the opera's traditional style and its lack of innovation. Chen's opera is a blend of traditional Chinese opera and Western opera. It is a story of a man who grows up in the United States and returns to China to find his father. The opera is a blend of traditional Chinese opera and Western opera. It is a story of a man who grows up in the United States and returns to China to find his father.



U.S. AND IRAN BOW OUT WITH LOSSES



Herald INTERNATIONAL Tribune

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TODAY: LEISURE

AMID POMP, DISSIDENT ARRESTS STRIKE SOUR NOTE

Clinton, in China, Defends 'Closer Ties'

By John F. Harris and Michael Laris  
Washington Post Service

XIAN, China — President Bill Clinton was greeted here Thursday with a drums-banging, banners-flying arrival ceremony designed to evoke the glory of an ancient Chinese empire, an occasion he used to challenge critics of his quest for warmer relations with the world's most populous nation.

An hour after Air Force One touched down for the first stop on a nine-day journey through China, Mr. Clinton told several hundred people gathered for the invitation-only ceremony replete with the costumes and rituals of the Tang Dynasty more than 1,000 years ago — that people who would question "the closer ties and deeper friendship" he is seeking misunderstand the benefits of engagement.

"As two great nations, we have a special responsibility to the future of the world," said Mr. Clinton, who was making the first visit by a U.S. president to China since the 1989 massacre of pro-democracy demonstrators at Tiananmen Square in Beijing.

"The steps we take over the next week can lead to far greater strides for our people in the years ahead," he continued.

[He Chinese government hailed a new era of relations with the United States, Reuters reported from Beijing.]

[A Foreign Ministry spokesman dismissed as "noise pollution" objections from Mr. Clinton's Republican critics to his visit. "This does not represent the aspirations of most American people," the spokesman, Tang Guoqiang, said.]

Just hours before the arrival, however, Chinese authorities gave new ammunition to critics of the Beijing government and Mr. Clinton's engagement policy by detaining several suspected dissidents at stops along the president's itinerary.

The Information Center of Human Rights and Democratic Movement in China, which is based in Hong Kong, reported that two dissidents had been detained, with their condition and whereabouts unknown, in the Xian area.

In the southern city of Guilin, the

group said, a member of the former dissident group Human Rights Voice was similarly detained, while tightened security checks were being implemented against government critics in Beijing and Shanghai.

Clinton administration officials said they considered the reports reliable and expressed concern. "I would expect that Sasser will bring this up with the

Army band accustomed to U.S. presidents. • Xian a battleground over archaeology. Page 4.

Chinese government directly" later Thursday, said P.J. Crowley, a White House spokesman traveling with Mr. Clinton's delegation, referring to James Sasser, the U.S. ambassador to China.

In his meetings with President Jiang Zemin on Saturday, Mr. Crowley continued, "The president will encourage China to allow freer political dialogue so that all Chinese citizens can be free to express their political beliefs without government interference."

Privately, administration officials acknowledged their embarrassment about the impolitic timing of the detentions.

Arrests of this kind are common before high-level visits to China, and one American official speculated that Beijing believed it was trying to ensure

See SUMMIT, Page 4



Flowers, schoolchildren and welcoming smiles setting the mood Thursday in Xian for the Clintons.

Doing Business in China: An Obstacle Course

By John Pomfret  
Washington Post Service

BEIJING — If ever there was an auspicious time for a powerful American corporation to get a license to do business in China, this would seem to be that time.

With the economies of Asia tottering and the Chinese desperate to bait a slide in foreign investments, with President Jiang Zemin about to welcome President Bill Clinton with open arms, and with George Bush, that "old friend of China," lobbying for business, the stars would seem to be in line. But so far, no go.

At the Beijing offices of the Chubb Group of Insurance Companies, which has spent millions of dollars off and on since 1979 trying to get a license to insure property in China, there is little hope of a breakthrough.

And Chubb is not alone. It is just one of 23 American insurance companies and legions of other American enterprises — from banks to phone companies — trying to gain access to China's market of 1.2 billion people.

And as if that was not enough, those who do have access to the market sometimes think that Chubb may be one of the lucky ones.

While government-to-government ties be-

tween the United States and China have improved markedly since the 1989 crackdown on student-led protests in Tiananmen Square and the Taiwan missile crisis of 1995, U.S.-China business ties have sunk to their worst point in several years.

Notably missing from Mr. Clinton's nine-day tour of China, which started Thursday and is the first time an American president has come here since Mr. Bush visited in 1989, is any strong business initiative from the White House or breakthrough on market access or trade ties.

Stung by allegations from Congress that its

See BUSINESS, Page 4

Court Upholds Lawyer Privilege Even After Death

Ruling Stops Starr From Acquiring Notes About Late Presidential Aide

By Brian Knowlton  
International Herald Tribune

WASHINGTON — The Supreme Court on Thursday rejected an effort by the independent prosecutor Kenneth Starr to obtain notes of a conversation that the White House deputy counsel Vincent Foster had with his lawyer days before he killed himself, thereby confirming that attorney-client privilege does not end with death.

Lawyers' groups unanimously praised the 6-to-3 decision, saying that had the court rejected the idea of privilege continuing after death, it would have dramatically undermined clients' trust in the confidentiality of discussions with lawyers.

The ruling was welcomed by the White House, which had lost some of its earlier battles over privilege. An official traveling with the U.S. presidential delegation in China called the ruling "an important validation of the vital issue of attorney-client privilege."

In another major ruling as the court nears the end of its term, the justices struck down as unconstitutional the line-item veto law that had allowed the president to cancel specific items in tax and spending measures. The 6-to-3 decision was criticized by the White House as "a defeat for all Americans" that deprived the president of a valuable tool for eliminating wasteful spending — "pork," in Washington terminology — from U.S. budgets. (Page 3.)

Chief justice William Rehnquist, who wrote for the majority in the ruling on attorney-client secrecy, indicated that the weight of history was on the side of the privilege.

See COURT, Page 10

IMF and Indonesia Alter Rescue Terms

By Cindy Shiner  
Washington Post Service

JAKARTA — Indonesia and the International Monetary Fund agreed Thursday on a revised program to bail out the country's devastated economy and impose reforms. But officials said that after months of economic and social turmoil the country would now require even more international funds to help it recover.

The new agreement, the fourth in eight months, puts greater emphasis on helping the poor by assuring food supplies and bolstering the banking system, officials said.

"The economic situation and outlook have worsened considerably, and the economy faces a very serious crisis," said Hubert Neiss, the Fund's chief Asia expert.

Mr. Neiss said that economic turmoil and political and social upheaval had made the current \$43 billion IMF bailout inadequate. The country's economy is expected to contract by more than 10 percent and

See INDONESIA, Page 19

Germans, Yugoslavs, Mexicans and Dutch Advance to Final 16

International Herald Tribune

PARIS — Germany and Yugoslavia advanced to the second round of the World Cup Thursday night with comfortable victories in the last pair of matches in Group F.

They follow the Netherlands and Mexico, which drew, 2-2, in Saint-Etienne earlier in the day to take the top two places in Group E.

In the second round, the Dutch will face Yugoslavia and Germany will meet Mexico.

In Montpellier, Germany beat Iran, which needed to win to advance, with two headed second half goals.

In Nantes, Slobodan Komljenovic scored with a header in the third minute, and Yugoslavia went on to win, 1-0, against the United States.



U.S. goalkeeper Brad Friedel kneeling while his teammate Ernie Stewart picks the ball out of the net after Slobodan Komljenovic of Yugoslavia scored the only goal of the match. Page 29.

AGENDA

Homemade Bomb Kills 2 in Paris Apartment Building

PARIS (AFP) — Two people were killed Thursday in a blast caused by a homemade bomb in an apartment building in eastern Paris, the police said.

Georges Sarre, mayor of Paris's 11th arrondissement, where the explosion took place, also announced that the blast had been caused by a homemade explosive device and that it was "not of domestic origin."

The explosion occurred at about 6:30 P.M., killing a woman and an adolescent boy.

Mr. Sarre said the victims were Yugoslavs. The woman was a cleaner who had lived in the building for a long time, "without ever having any problem," the mayor said.

Witnesses said the woman was about 40 years old and lived with her two sons, aged 14 and 17.

Nigeria Said to Be Likely to Free Abiola

LAGOS (AP) — Nigeria's best-known political prisoner, Moshood Abiola, the apparent winner of 1993's presidential elections, is likely to be released by the country's new military leader, a senior junta official said Thursday.

The military government said it had ordered the release of 17 more political prisoners Thursday, but Mr. Abiola was not among them.

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Ulster Goes to Polls in Historic Vote for an Assembly

By Warren Hoge  
New York Times Service

BELFAST — The Northern Ireland peace process marked another milestone in its bullets-to-balloons passage Thursday as residents of the long-polarized province turned out in large numbers to elect members of a new legislature.

Voters were choosing 108 lawmakers from a field of nearly 300 candidates from once warring parties to serve in the Northern Ireland Assembly. The new body

will restore lasting local government here for the first time since the British imposed direct rule in 1972 and establish a structure to meet the elusive goal of power sharing among the Roman Catholic and Protestant communities.

No results will be known before Friday. In a symbol of the profoundly changed attitudes here, among those running for office were reformed men who had been some of the most notorious bombers and killers of the past three decades, in which more than 3,200 people have died in sectarian violence.

The election was a test of the public's faith in their conversion to political means and of its trust in the overall peace settlement that emerged April 10 from 26 months of negotiations in Belfast. The agreement was endorsed by referendums in Ireland and Northern Ireland on May 22.

The creation of the assembly is one of the steps called for in the accord, which was carefully patterned to give equal weight to the Catholic longing for

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See NIKE, Page 10

Newsstand Prices

Andorra	10.00 FF	Lebanon	11.30
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1.600 CFA	Qatar	10.00 QR
Egypt	1.500 CFA	Reunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1.100 CFA	Senegal	1.100 CFA
Italy	2.800 Lira	Spain	225 Ptas
Ivory Coast	1.250 CFA	Tunisia	1.250 Din
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. MIL. (Eur.)	\$1.20





## Suburb of a War Zone / Chevron's Enclave in Angola

## A Piece of America in Malongo

By Suzanne Daley  
New York Times Service

**M**ALONGO, Angola — In this remote northern region of war-ravaged Angola, many of the accents are from the South of the United States — Texas, Mississippi, Louisiana.

Here there are paved roads smooth enough to Rollerblade on. Folger's coffee seems to be percolating in every office. You can have hot dogs and chocolate chip cookies for lunch. Or play golf on the 18-hole par-3 course.

In the 20 years that civil war has raged across this once lush and prosperous former Portuguese colony — leaving virtually every road cratered, every power plant destroyed, every manufacturing plant silent — the oil rigs at Chevron's installation have just kept on pumping. The offshore horizon is a collection of spindly towers, some spouting bright orange gas flames.

The uninterrupted flow was made possible by one of the more bizarre twists of money and politics. At the height of the war, Chevron's installation was protected by Cuban troops who were supporting the Marxist Angolan government in its struggle against a rebel onslaught.

At that time the United States was a staunch supporter of the rebels, the National Union for the Total Independence of Angola, known as UNITA, the acronym for its name in Portuguese. But the Reagan administration continued to allow Chevron to produce oil, about 50 percent of which went to the Angolan government to pay for its war against UNITA. Most of the oil was sold to America.

The Cubans are now gone. With the country in an uneasy bridge between war and peace, Angolan troops protect the area, which as part of Cabinda Province is cut off from the rest of Angola, and business is booming. The compound is a work in progress: expanded living quarters, a new dining hall, new office space and a new clinic are all under construction.

Angola is Africa's hottest oil territory right now. Recent offshore discoveries by Chevron and other international oil companies hold out the promise that Angola, which pumps about 740,000 barrels a day, may someday rival Nigeria's 2 million a day. Experts say this new-found wealth has the potential to speed Angola's recovery from its devastating war.

Yet what troubles many diplomats and business executives is the habit the wealth has of disappearing.

Angola's books have remained so opaque that the International Monetary Fund refuses to do business here. World Bank officials say that more than half of the government's spending is on items not in the official budget. And while Luanda, the capital, has become a city with fancy sports cars and Paris couture imports, such luxuries remain the province of a tiny minority.

**I**N CABINDA CITY, the nearest town to the Chevron compound, there are no signs of Paris and few of public works. The roads quickly turn to dirt, and much of the housing is shacks. A public pool under construction when civil war broke out in 1966 remains unfinished and overgrown, only the diving board rising above tree line as a reminder of what might have been.

Here, as across the country, many civil servants are paid irregularly. And banditry by armed soldiers



The oil rig at Malongo.

is considered at least a part of the growing violence in rural areas.

Inside the compound, Chevron has built a bubble world. Its American employees work 12-hour days for 28 days straight, then jet back home for 28 days' rest. They are not allowed outside the fence, which is widely believed to be surrounded by land mines, though Chevron officials decline to talk about most security measures. Worried about their employees' safety, Chevron does not even let them drive the 12 miles (19 kilometers) between Malongo and the airport. They are taken by helicopter.

"Nobody just walks out the gate," said Larry Jostes, who is general manager here for 28 days, then goes home to San Francisco for 28 days of rest. "We know where everybody is all the time."

Many of the oil workers say their families know little about the country, Chuck Blevins, who runs a platform 30 miles out at sea, says he doubts that his wife or children back in Mississippi could find Angola on a map. Here, the focus is on the huge machinery and engineering feats that keep the oil production up.

"It is a very exciting time to be here," said Doo Nicholson, an electronic instrumentation specialist from Utah who has been working on one of the platforms for nine months. "We're at the cutting edge of the business."

Mr. Nicholson says he is nonetheless curious about what goes on in Angola and has taken some Portuguese lessons, though without much success. "That Portuguese is just tearing me up," he said.

The oil companies have survived by remaining politically neutral and are not inclined to change that. Once the oil heads for the markets, they do not really worry about what happens to Angola's share of the profits.

But it is increasingly an issue for Angola, which has seen little social rehabilitation despite annual



**Madeleine Albright, the U.S. secretary of state, addressing workers last year on an offshore oil-rig belonging to the Chevron installation at Malongo. Angola is Africa's hottest oil territory right now. Recent offshore discoveries by Chevron and other oil companies hold out the promise that Angola may someday rival Nigeria's 2 million barrels a day.**

budgets of about \$3.5 billion and 40 months of relative peace.

"Where has all the money gone?" has become a growing refrain here, even among members of Parliament. One recently lashed out at government, describing decrepit hospitals where 12 children a week die of malaria. Another said prisoners died of starvation in the country's jails.

**G**OVERNMENT officials have defended their reluctance to let anyone see the books by pointing out that they are still at war and do not want information about their financial strength to leak out.

International creditors say some of the oil profits go straight into arms purchases, but corruption is widely assumed to siphon off much of the rest. Meanwhile, the government is driving harder and harder bargains for its oil. In the past, bidders merely submitted breakdowns of how eventual profits would be split. Now they must cough up "signing fees" that in the last 18 months amount to more than \$200 million.

According to the London-based newsletter Africa Confidential, much of this new income remains inside the state oil company, Sonangol, and never makes it to the Ministries of Health and Education that desperately need it.

Even if the money reached the Treasury, Angola is probably unable to spend it wisely, experts say. For instance, since it is unable to get cheaper IMF loans, it is paying huge foreign debts built up during the war at exorbitant interest rates.

Decades of war have left Angola with little expertise at investment management. But so much money is on the way that it will be impossible, some experts hope, for corrupt bureaucrats to steal it all.

"The magnitude of the resources," a diplomat said, "make it impossible for you to just quietly take the money away."

## Students Dropping Out For High-Tech Jobs

## Computer Industry Is Depleting Academia

By Ethan Bronner  
New York Times Service

**NEW YORK** — The high-tech field, the fastest growing of the U.S. economy, has become so voracious in its hiring that university computer science departments across the country are losing graduate students and, in growing numbers, undergraduates to an industry fueled by vast sums of money.

Faculty positions in computer science are going unfilled, and doctoral programs have seen a big drop-off in applications. Moreover, students working toward master's and bachelor's degrees are increasingly abandoning their studies for well-paying jobs in a field whose wealthy stars, like Bill Gates, famously dropped out of college.

Many experts fear that fundamental research will decline and that the next generation of American computer scientists will be stunted. "I'm afraid we're eating our seed corn," said Peter Denning, vice provost of George Mason University in Virginia.

For many young people, a job paying from \$30,000 to \$60,000 a year seems far more appealing than pursuing a degree whose value is unclear.

"A degree is just a piece of paper with a gold stamp on it," said Jonah Blossom, 20, who left Santa Barbara City College after one year to take a full-time, \$30,000-a-year job as a computer specialist at a nearby concern where a number of his bosses and colleagues did not finish their studies.

"That paper isn't going to help you find bugs in a system or create compelling Web sites," he said. "That depends on your ability. My employers are not interested in certificates or where I've been to school."

While other academic fields over the years have witnessed shifts in talent away from universities — it happened in biochemistry in the 1980s — there is no precedent to what is happening today in computers both in the scale and in the challenge it poses to the discipline.

Without wanting to sound hysterical, this is really changing the shape of education in a fundamental way," said Guy Smith, who runs the multimedia laboratory at Santa Barbara City College. "You hear of kids leaving high school and making almost six figures," he said.

Joseph Liemandt dropped out of Stanford after his junior year and founded the Trilogy Development Group, a hugely successful software marketing company in Austin, Texas, in 1989. Mr. Liemandt says his company, like many others, simply does not care about an applicant's university credentials.

"If we interview two people and one has a 4.0 from MIT in computer science and doesn't impress us in the interview," he said, "and the other dropped out of some small college and impressed us, we'd always hire the second guy."

Computer science professors, in something of a state of shock, are sharply divided over what is happening and how to respond.

Most are warning that when the overheated market for programmers and Web-site designers cools or shifts in emphasis, those who have left their studies will be, in essence, laid-off blue-collar workers without credentials, like telephone operators after digital switching or auto workers after robotics.

At the Florida Institute of Technology in Melbourne, Florida, Richard Newman, associate dean of engineering, says his institution is trying to compromise with corporate raiders by urg-

ing cooperative ventures whereby the companies pay for students to complete their studies while they work.

"We even had two or three freshmen go off to take jobs setting up Web pages," Mr. Newman said. "We're trying to find a solution to end the competition between us and industry."

But some computer experts say that universities have failed to keep computer science curriculums up to date.

"Universities have done such a bad job of providing what you need to know that a B.A. in computer science is almost considered worthless," said Allen Holob, an author and computer design consultant in San Francisco. "Many tenured professors came out of math departments. Mathematicians make lousy programmers. They focus on algorithms, which are the underlying rules of some programs. But the vast majority of programs today are not algorithm-based but data-based."

With sophisticated new computer languages, like Java, programmers can draw on a prepackaged set of formulas and tools and simply plug them in, without a need for understanding the underlying theory of computer language.

"After a semester learning Java, a student can already do an incredible amount," said Kenneth E. Martin, a professor of computer and information sciences at the University of North Florida in Jacksonville. "My colleagues see their former students with a B.S. and stock options. Maybe that's better than an M.S."

The American computer industry is exploding. The Bureau of Labor Statistics projects a 108 percent increase in demand for systems analysts, engineers and computer scientists by 2006.

Today there are an estimated 933,000 jobs in these fields. By 2006, the bureau estimates, that will rise to 1.9 million. Yet the nation's computer science programs each year are graduating only 25,000 students with bachelor's degrees.

## TRAVEL UPDATE

## German Border Checks

**BONN (AFP)** — Legislators approved a bill Thursday giving the border police wider powers to check the identity of all travelers on and near German frontiers, instead of just suspects as previously.

The Bundestag, the lower house of Parliament, also authorized the border police to operate beyond the 30-kilometer (20-mile) zone inside the frontier to which they had been limited up to now.

The police will have no right, however, to conduct body and luggage searches of passengers in trains, railroad stations and airports unless they believe the individual is engaged in illegal activity.

More than 100 people were hospitalized in Athens on Thursday as a heat wave swept the city, with temperatures soaring to 37 degrees centigrade (99 degrees Fahrenheit) for a second day. (AP)

The sale of alcohol on cross-Channel ferries will be suspended for 24 hours this weekend in a move to prevent hooliganism, French officials said. (Reuters)

Hyundai Group, South Korea's largest industrial conglomerate, said it would send a group of tourists to North Korea on its cruise liner on Sept. 25, marking the first such visit to the closed Communist country. (Bloomberg)

## Togo Shaken by Charges of Stolen Presidential Vote

By James Rupert  
Washington Post Service

**LOME, Togo** — After 31 years in power, Africa's longest-ruling leader has won re-election as president of this small, west coast state. But foreign election observers, Western diplomats and chanting crowds of Togolese called the result a crude fraud that would renew instability.

The democratization movement that swept Africa at the start of the decade has stalled in recent years, making slow progress in some countries while stagnating or retreating in others. The vote here Sunday appeared to confirm fears that despite foreign pressure, including a cutoff of most Western aid, Togo remains one of Africa's firmest strongholds of "Big Man" rule.

Under domestic and international pressure, President Gnassingbe Eyadema, a hardy soldier who seized power in a coup in 1967, permitted innovations for this election that raised hopes that it would be Togo's first free presidential ballot, foreign election observers and Togolese citizens said this

week. Opposition candidates were even allowed to make brief campaign speeches on state television.

On Sunday, voters jammed polling places, many waiting as long as six hours to cast ballots. "I had never voted before," said Stephan Akama, one of a crowd of protesters chanting and marching Wednesday. "This time, with six candidates running, I decided I could mean something. We all did."

But on Monday, as early returns showed Mr. Eyadema in danger of losing, the vote count was halted without explanation.

On Tuesday, the National Election Commission's chairman, Awa Nana, and four commission members resigned because of what Ms. Nana called "pressure, intimidation and real threats" from sources she did not identify.

On Tuesday morning, Mr. Eyadema's internal security minister, General Seyni Memene, said that he had taken over the ballot count and that Mr. Eyadema had won 52 percent, just enough to avoid a runoff against his main opponent, Gilchrist Olympio.

Shortly after General Memene's an-

nouncement, crowds surged through the streets of this capital, chanting "Eyadema, thief!" and calling for Mr. Olympio's installation as president.

The European Union's election monitoring team said that Mr. Eyadema's election had not been open and above-board. But the Togolese foreign minister, Kofi Panou, decided that it had been conducted "to the satisfaction of all."

Foreign monitors said Mr. Olympio had outpolled Mr. Eyadema across much of Lome, which contains a quarter of the registered voters in this country of barely 5 million people. "By all available evidence, Gilchrist Olympio won," a Western diplomat said.

Mr. Olympio is the son of Togo's first president, Sylvanus Olympio, who was killed in a 1963 coup led by Mr. Eyadema, and he has remained Mr. Eyadema's most implacable political foe.

Mr. Olympio, in exile in neighboring Ghana, said there that his party's count showed him winning 59 percent of the vote, compared with Mr. Eyadema's 30 percent. He called Mr. Eyadema's victory claim "one big farce" and urged

Togolese to protest peacefully to "keep the pressure on" the Eyadema government.

Lome has been tense and semi-deserted since Sunday, with many merchants, including poor people who scrape out a living as sidewalk vendors, staying home.

On Wednesday, youths rioted in Be, a poor district near the city center. They burned cars and tires and threw stones at the police, who fired tear gas.

## WEATHER

Forecast for Saturday through Monday, as provided by AccuWeather.

Europe	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Algeria	25/20	25	20	26/20	26	20	27/20	27	20
Amsterdam	17/12	17	12	18/12	18	12	19/12	19	12
Athens	28/20	28	20	29/20	29	20	30/20	30	20
Bombay	32/24	32	24	33/24	33	24	34/24	34	24
Buenos Aires	26/18	26	18	27/18	27	18	28/18	28	18
Calcutta	32/24	32	24	33/24	33	24	34/24	34	24
Chongqing	28/20	28	20	29/20	29	20	30/20	30	20
Colon	32/24	32	24	33/24	33	24	34/24	34	24
Hankow	28/20	28	20	29/20	29	20	30/20	30	20
Harbin	28/20	28	20	29/20	29	20	30/20	30	20
Hong Kong	32/24	32	24	33/24	33	24	34/24	34	24
Hyderabad	32/24	32	24	33/24	33	24	34/24	34	24
Jakarta	32/24	32	24	33/24	33	24	34/24	34	24
Karachi	32/24	32	24	33/24	33	24	34/24	34	24
Kuala Lumpur	32/24	32	24	33/24	33	24	34/24	34	24
London	17/12	17	12	18/12	18	12	19/12	19	12
Los Angeles	26/18	26	18	27/18	27	18	28/18	28	18
Madras	32/24	32	24	33/24	33	24	34/24	34	24
Manila	32/24	32	24	33/24	33	24	34/24	34	24
Moscow	18/10	18	10	19/10	19	10	20/10	20	10
Mumbai	32/24	32	24	33/24	33	24	34/24	34	24
Nairobi	32/24	32	24	33/24	33	24	34/24	34	24
Paris	17/12	17	12	18/12	18	12	19/12	19	12
Perth	26/18	26	18	27/18	27	18	28/18	28	18
Rangoon	32/24	32	24	33/24	33	24	34/24	34	24
Seoul	28/20	28	20	29/20	29	20	30/20	30	20
Singapore	32/24	32	24	33/24	33	24	34/24	34	24
Taipei	32/24	32	24	33/24	33	24	34/24	34	24
Tokyo	28/20	28	20	29/20	29	20	30/20	30	20
Yokohama	28/20	28	20	29/20	29	20	30/20	30	20

Asia	Today	High	Low	Tomorrow	High	Low	Day After	High	Low
Algeria	25/20	25	20	26/20	26	20	27/20	27	20
Amsterdam	17/12	17	12	18/12	18	12	19/12	19	12
Athens	28/20	28	20	29/20	29	20	30/20	30	20
Bombay	32/24	32	24	33/24	33	24	34/24	34	24
Buenos Aires	26/18	26	18	27/18	27	18	28/18	28	18
Calcutta	32/24	32	24	33/24	33	24	34/24	34	24
Chongqing	28/20	28	20	29/20	29	20	30/20	30	20
Colon	32/24	32	24	33/24	33	24	34/24	34	24
Hankow	28/20	28	20	29/20	29	20	30/20	30	20
Harbin	28/20	28	20	29/20	29	20	30/20	30	20
Hong Kong	32/24	32	24	33/24	33	24	34/24	34	24
Hyderabad	32/24	32	24	33/24	33	24	34/24	34	24
Jakarta	32/24	32	24	33/24	33	24	34/24	34	24
Karachi	32/24	32	24	33/24	33	24	34/24	34	24
Kuala Lumpur	32/24	32	24	33/24	33	24	34/24	34	24
London	17/12	17	12	18/12	18	12	19/12	19	12
Los Angeles	26/18	26	18	27/18	27	18	28/18	28	18
Madras	32/24	32	24	33/24	33	24	34/24	34	24
Manila	32/24	32	24	33/24	33	24	34/24	34	24
Moscow	18/10	18	10	19/10	19	10	20/10	20	10
Mumbai	32/24	32	24	33/24	33	24	34/24	34	24
Nairobi	32/24	32	24	33/24	33	24	34/24	34	24
Paris	17/12	17	12	18/12	18	12	19/12	19	12
Perth	26/18	26	18	27/18	27	18	28/18	28	18
Rangoon	32/24	32	24	33/24	33	24	34/24	34	24
Seoul	28/20	28	20	29/20	29	20	30/20	30	20
Singapore	32/24	32	24	33/24	33	24	34/24	34	24
Taipei	32/24	32	24	33/24	33	24	34/24	34	24
Tokyo	28/20	28	20	29/20	29	20	30/20	30	20
Yokohama	28/20	28	20	29/20	29	20	30/20	30	20

Asia		
	Today	Tomorrow
	High C/F	High C/F
Almaty	38/100	23/73 pc
Baku	31/68	24/71
Bangkok	34/83	29/79
Beijing	30/57	27/80
Bombay	32/84	27/80
Bombay	32/84	27/80
Calcutta	34/83	28/79
Chengdu	34/83	24/75
Colombo	29/84	24/75
Delhi	31/86	24/75
Hong Kong	33/81	24/75
Manila	30/86	24/75
Islamabad	41/120	30/85
Jaipur	31/80	25/77
Karachi	37/88	26/79



THE AMERICAS

# Line-Item Veto Is Struck Down

## Supreme Court Says It Violates Constitution's Separation of Powers

By Brian Knowlton  
International Herald Tribune

WASHINGTON — The Supreme Court struck down an unconstitutional law on Thursday that had allowed the president to cancel specific items in tax and spending measures.

In a 6-to-3 decision involving the fundamental notion of the separation of powers, the court held that Congress had given the president more power than the Constitution allowed.

The decision was a setback to President Bill Clinton, who took time from his China visit to express his deep disappointment. "The decision is a defeat for all Americans," he said in a statement issued in Xian, China.

The elimination of the so-called line-item veto, he said, deprived the president of a valuable tool for eliminating wasteful spending — "pork" in Washington terminology — from U.S. budgets.

Mr. Clinton had used the line-item veto 82 times since the law was passed in 1996, using the scalpel to cut out an estimated \$355 million of federal spending. He had said that although the amount might seem small in terms of the overall federal budget, the fact that he could wield a targeted veto had a sobering effect on budget-makers.

The court, however, found that the

line-item veto violated a constitutional requirement that every bill be presented to the president for his approval or veto. A line-item veto, the justices said, in effect allows a partial veto, which the Constitution does not provide for.

Writing for the court, Justice John Paul Stevens said that "if there is to be a new procedure in which the president will play a different role in determining the text of what may become a law, such change must come not by legislation but through the amendment procedures set forth in the Constitution."

While the line-item veto had strong support from many Republicans, including Mr. Clinton's immediate predecessors, George Bush and Ronald Reagan, and was an important plank in the Republican Party agenda known as the "Contract With America," the prospects for a constitutional amendment appear small.

Amending the Constitution requires support from two-thirds of the members of both Houses and ratification by three-fourths of the states. Since the early days of the nation, the constitution has been amended less than once a decade.

It was, however, a victory for so-called strict constitutionalists. Senator Robert Byrd, Democrat of West Virginia, who was part of an unsuccessful attempt last year to block the line-item

veto, said Thursday that by opposing it, "We are protecting the liberties of the people who send us here."

In other cases on Thursday, the court made these rulings:

- The government can deny cash grants to artists because their work is considered indecent. The policy, the justices said in an 8-to-1 decision, does not violate the artists' constitutional right to free speech. According to the court, the National Endowment for the Arts can consider both decency and artistic merit in allocating public moneys. The law had been challenged by a group of artists, including a performance artist who smeared her naked body with chocolate.

- HIV-infected people are protected by a federal ban on discrimination against the disabled even if they suffer no symptoms of AIDS. The 5-to-4 ruling ordered a lower court to reconsider whether a Maine dentist violated the Americans With Disabilities Act when he refused to fill an HIV-infected woman's tooth in his office.

- Witnesses cannot invoke the Fifth Amendment privilege against self-incrimination solely because they fear prosecution in a foreign country. The justices, voting 7-to-2 in the case of a suspected Nazi collaborator who lives in New York, narrowed the use of the privilege in a way sought by the Clinton administration. The government had contended that such a narrow interpretation was needed to thwart terrorists, drug smugglers and other international criminals.

In the line-item-veto case, the immediate challenge had come from parties directly harmed by line-item vetoes that Mr. Clinton had imposed, including New York City, which would have lost some Medicaid money, and an Idaho potato growers' group, which had lost a narrowly targeted capital-gains tax break.

A federal judge had found the veto unconstitutional in February. He said that Congress could not delegate such authority to the president. U.S. District Judge Thomas Hingan said it amounted to Congress surrendering an "inherently legislative function" to the president.

The Clinton administration had contended that a line-item veto was simply a presidential exercise in spending authority.

## CNN to Sift Nerve Gas Report

### Libel Lawyer Hired to Investigate Broadcast's Charges

Washington Post Service

WASHINGTON — CNN has hired a well-known libel lawyer, Floyd Abrams, to conduct an independent investigation of its recently broadcast assertions that U.S. troops used nerve gas in Laos in 1970 against American defectors.

CNN and Time magazine, which jointly researched the broadcast, have said that they are re-examining the story about what was called Operation Tailwind. But CNN's decision to bring in a big-name outside investigator is an unusual step for any news organization.

The allegation of nerve gas use was leveled on the June 7 premiere of

"NewsStand," a collaboration between CNN and Time, which are both owned by Time Warner Inc.

Since then, CNN's military analyst has quit in protest, soldiers involved in the operation have insisted that no nerve gas was used and the report has been challenged in The New York Times, The Washington Post and Newsweek, which is one of Time's direct competitors.

Mr. Abrams said Wednesday that he would "consider all the criticisms made about the story" and report back to the CNN news group chairman, Tom Johnson.

He also said that he would have "total independence."

## Re-examining a Killing in El Salvador

### Documents Suggest 1980 Murder of Nuns Was Ordered by Military Leader

By Larry Rohter  
New York Times Service

MIAMI — El Salvador's defense minister suspected that a member of his high command had ordered the killing of four American churchwomen in 1980 and later informed the U.S. ambassador of his belief, according to newly released State Department documents.

For years both governments have asserted that no high-ranking military officials were involved in the slayings, which provoked an intense debate about U.S. policy in Central America. The documents also raise questions as to Washington's motives for not investigating the confidential information more aggressively, human rights advocates and former officials said.

The suspicions were confided to Thomas Pickering, who was then the American ambassador to El Salvador and is now undersecretary of state for political affairs. It is not clear from the documents what action, if any, the State Department took to investigate the leads passed on by Mr. Pickering or to pressure the Salvadoran government

to do so. Mr. Pickering could not be reached for comment.

"I think someone should be called on the carpet for this," Robert White said Wednesday. Mr. White was the U.S. ambassador at the time of the killings but was replaced by Mr. Pickering shortly after.

Mr. White made it clear, however, that he was not referring to Mr. Pickering.

"What has been released moves toward confirming what most of us have always believed, that this was ordered by higher ups," he added.

Three Roman Catholic nuns, Maura Clarke, Ita Ford and Dorothy Kazel, and a lay worker, Jean Donovan, were abducted by a military unit on Dec. 2, 1980, and raped and shot to death. The killings occurred as the United States was beginning a decade-long multibillion-dollar effort to prevent leftist guerrillas from gaining power, and the case immediately came to symbolize the pitfalls of American involvement in the region.

In 1984, four members of the El Salvadoran National Guard and their immediate superior were convicted of the murders and sentenced to 30 years in prison. In March,

the four enlisted men broke their 17-year silence and told human rights investigators that they had acted only after having received clear and explicit "orders from above."

The Associated Press reported Wednesday that a judge granted conditional freedom to three of the five guard members under a two-month-old law that mandates a reduction in prison overcrowding. A prosecutor said officials might seek to have the order overturned, however.

Secretary of State Madeleine Albright ordered the release of American documents in response to requests by members of Congress and representatives of the Lawyers Committee for Human Rights, which represents the families of the churchwomen and which interviewed the guard members.

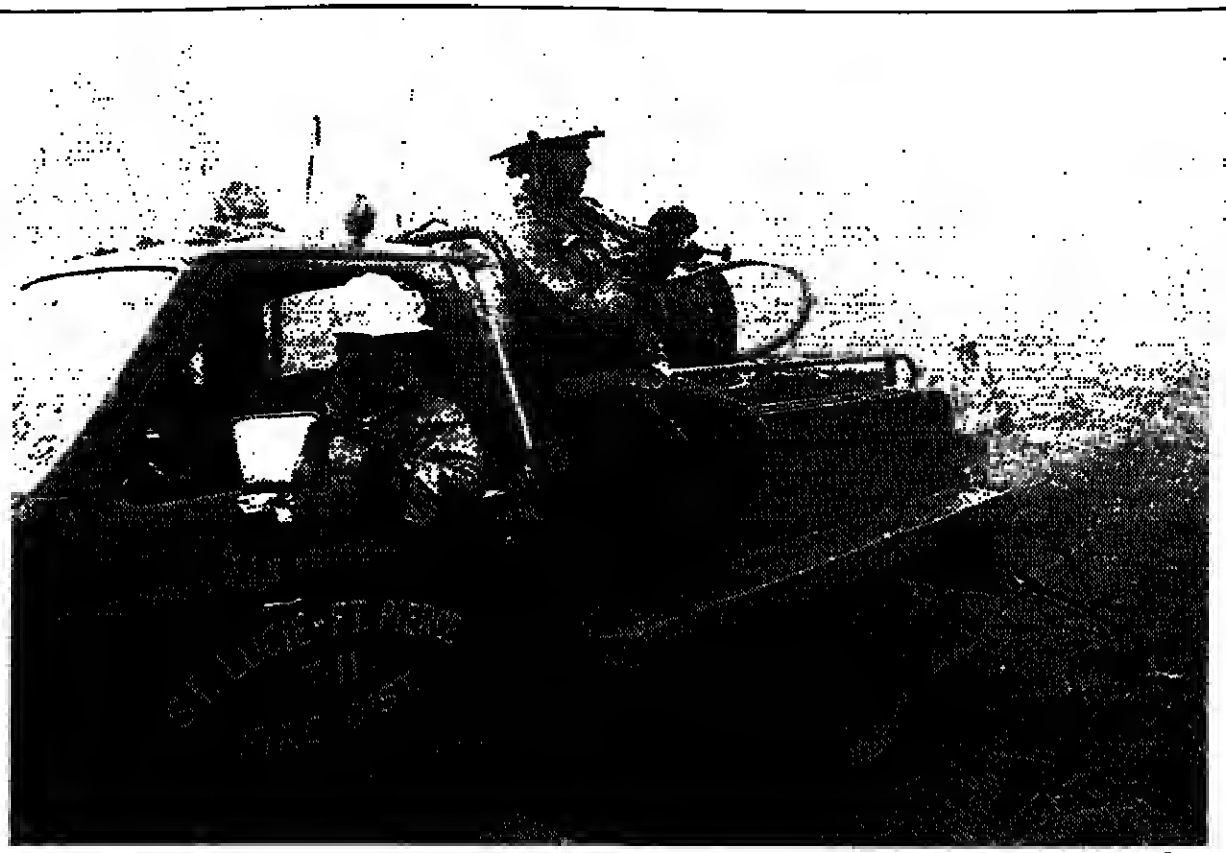
Throughout the 12-year civil war, in which 75,000 people were killed, the Reagan and Bush administrations always echoed the El Salvadoran government's contention that the slayings were the work of a small group that was acting on its own. The documents, however, make clear that officials at the U.S.

Embassy in San Salvador, based on conversations with the highest levels of the El Salvadoran military, had strong indications to the contrary and that their superiors in Washington apparently chose to ignore the indications.

In February 1985, Mr. Pickering met with the defense minister at the time of the killings, General Jose Guillermo Garcia. General Garcia acknowledged that "there existed an attitude among the National Guard elements that colleagues should be protected" and suggested that a snailshell might have been directly involved in the murders.

Lawyers for the families of the churchwomen said Wednesday that they particularly welcomed a chance to examine the "special embassy evidence" that American officials, as well as a judicial commission that is looking into the case, have always cited as proving the guardsmen acted on their own. That evidence turns out to be a clandestinely taped conversation between the guardsmen's immediate superior, a sergeant, and a higher-ranking officer in which the issue of orders from above does not come up.

The new material is unlikely to lead to additional legal proceedings in El Salvador, however, because the 10-year statute of limitations on murder has expired.



FLORIDA FIRES — Firefighters holding the line in Volusia County, Florida, as they tried to protect a subdivision west of Ormond Beach. Wildfires have blackened more than 100,000 acres in the state.

## Away From Politics

- The Boston Globe has asked the American Society of Newspaper Editors to rescind an award to the columnist Patricia Smith, who quit after admitting fabrications. (AP)

nogen," an advisory panel convened by the National Institute of Environmental Health Sciences said. (WP)

- Carried by a growing population of deer mice, hantavirus has returned to the Southwest, killing a boy and a woman in Colorado and a man in New Mexico. (NYT)

- Electric and magnetic fields that surround electric power lines should be regarded as a "possible human carcinogen," an advisory panel convened by the National Institute of Environmental Health Sciences said. (WP)

- Rebuilding of the quake-damaged portion of the Oakland-San Francisco Bay Bridge has been approved. (AP)

## POLITICAL NOTES

### Abortion Drug Faces a Curb

WASHINGTON — The House has voted, 223 to 202, to prohibit the Food and Drug Administration from using federal money to test, develop or approve any drug that chemically induces abortion.

The measure offered by Representative Tom Coburn, Republican of Oklahoma, was aimed at blocking federal approval of RU-486, a drug used in Europe to induce nonsurgical abortions. As party lines were crossed on Wednesday, 37 Republicans voted against the measure and 35 Democrats supported it.

Mr. Coburn questioned why members defended RU-486 as an advance in scientific research. "To do research in take life, somehow that doesn't smell right," he said. (WP)

### Patients' Rights Bill Unveiled

WASHINGTON — House Republicans have unveiled a long-awaited proposal to define patients' rights and set uniform nationwide standards for health insurance, especially health maintenance organizations. The insurance industry immediately denounced the proposal, saying it would increase costs for consumers.

The House Republican proposals would guarantee coverage of emergency medical care, assure open communication between doctors and patients and allow women in an HMO to go directly to obstetricians and gynecologists, without getting prior approval.

Democratic leaders in the Senate and the House said the plan did not do nearly enough to protect consumers, but the reaction from the White House was upbeat. (NYT)

### Quote/Unquote

Newt Gingrich, Republican of Georgia, the House speaker, presenting a potentially costly plan to slash the top capital gains tax rate on investors for the second time in two years: "It removes the high-tax shackles from the risk-takers, the investors and the entrepreneurs who drive our economy's growth. And when nearly half of all Americans own stock, it is a powerful motivation for every American to save and invest." (WP)

## Late Admiral Is Backed On Combat Decorations

Washington Post Service

WASHINGTON — The secretary of the navy, John H. Dalton, has revised the official record of the late Admiral Jeremy (Mike) Boorda, inserting a letter from a retired chief of naval operations stating that Admiral Boorda had been entitled to wear two Vietnam-era combat decorations for valor.

Two years ago, a challenge about his right to wear those decorations prompted Admiral Boorda to take his life.

The letter placed in the file was from Admiral Elmo Zumwalt Jr., who headed the navy during the Vietnam War, asserting it had been "appropriate, justified and proper" for Admiral Boorda to attach the small bronze combat "V" to his ribbons.

A senior spokesman said Wednesday that the action did not constitute a formal ruling by the navy on the issue of whether Admiral Boorda was entitled to the decorations. Such a ruling, he said, came only from the Board of Correction of Naval Records. It has not been asked to review the case.

Mr. Dalton's intervention appeared to be an attempt to burnish Admiral Boorda's image and to influence perceptions about whether the navy leader had done anything wrong.

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Herald Tribune

THE WORLD'S DAILY NEWSPAPER

## Lawmakers Agree on IRS Reform

Washington Post Service

WASHINGTON — Congressional tax-writers have reached final agreement on the most complete overhaul of the Internal Revenue Service in nearly a half-century.

The costly bill will restructure the agency and provide taxpayers with extensive new rights in dealing with the agency, often portrayed as the most disliked bureaucracy of the federal government.

A nine-member board, which will include six people from outside the government, will oversee the agency. Tax penalties that resulted from the agency's own failings will be slashed or suspended, the burden of proof in

many tax disputes will shift from the taxpayer to the IRS and the agency's ability to seize property will be curtailed.

The measure is the culmination of more than two years of work by Congress, touched off originally by the IRS's repeated failure to modernize its computers. It achieved even greater momentum after Senate Finance Committee hearings last fall that produced startling testimony alleging agency abuse of both taxpayers and employees.

The reforms will help turn the IRS into an agency whose "institutional culture" is marked by service and openness, William Roth Jr., Finance Committee chairman, said.

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## China Summit / The 9-Day Visit Begins in an Ancient Capital

## Relics or Skyscrapers? Xian's Dynastic Soil Becomes a Royal Battleground

By Michael Laris  
Washington Post Service

XIAN, China — As President Bill Clinton began his visit on Thursday to this ancient capital to view the life-size terra cotta soldiers buried here more than 2,000 years ago, he was following in the footsteps of Presidents Bush, Reagan, Carter and Nixon. American leaders, both serving and retired, have visited this dusty city as a symbol of their respect for China's history.

But beneath the surface in Xian, a battle over the preservation of China's historic artifacts is raging that would make the bellicose Emperor Qin Shihuang — the all-powerful leader who unified the country and then rewarded himself by having the 8,000-stature terra cotta army buried next to him — turn over in his tomb.

As landlocked Xian tries to catch up with China's booming coastal cities, developers have

razed important historic sites — erecting gray concrete buildings in their place — and are threatening others.

"A lot of damage has been done already: the atmosphere of the city has changed," said Roberto Carla, the Italian coordinator for the Xian Center for the Conservation and Restoration of Cultural Relics. "Now Xian is just a large city, and you can see all around horrible architecture. And, of course, skyscrapers do not fit well with pagodas."

The city has put on its best face for Mr. Clinton, who arrived Thursday with Hillary Rodham Clinton and their daughter, Chelsea, at the start of a nine-day visit to China.

Workers have painted new traffic lines on the streets and officials hung red lanterns at the south gate of the city wall. The gate was traditionally reserved for use by the emperor and Chinese officials routed Mr. Clinton's motorcade from

the airport halfway around the wall just so he would enter the city through it.

Despite the face-lift, some of Xian's most important national treasures have been threatened in recent weeks.

In May, construction began on several factories atop an important set of buried vaults at the Yang Ling tomb, which houses brilliantly colored and intricately carved porcelain staves from the Western Han dynasty, which dates to the second century B.C.

Archaeologists fought back: They sought help from the governor of Shanxi Province who, after a visit to the tomb, declared the area a protected zone. The governor also came up with the equivalent of \$375,000 to aid conservation efforts and build a museum at the site.

"Some people don't respect cultural artifacts, they just want to finish their project," said Yuan Zhongyi, the archaeologist in charge of the proj-

ect to excavate the terra cotta soldiers. "That's something that really worries me."

The conflict between conservation and development has become intense in recent years, as traditional values were sacrificed repeatedly to the imperative of rapid economic growth.

Xian was the capital of China in the glory days of the Han and Tang dynasties, and so it has much to lose. But the destruction of historical sites occurring here is mirrored around the country.

Jia Pingwa, an author based in Xian, sets his stories here because the conflict between the old and new, the traditional and the modern, is so pronounced.

"This city is a city of ancient culture," Mr. Jia said. "The changes happening in Xian are, in reality, the changes happening in China's traditional culture. This draws me to keep using Xian as my background material."

Mr. Yuan is optimistic that Xian — and China

— will be able to balance growth with protection of relics. He has been working at the terra cotta soldier site since excavations began in 1974.

"We thought we would be done in 10 days," he recalled. But after a year of digging, the archaeologists realized what they had — a 16,000-square-yard vault full of 6,000 statues of horses and soldiers. Within a year, they had discovered two more vaults.

"At the time, we were startled," Mr. Yuan said. "We couldn't trust our own work. There had never been anything in the books about it."

So far, his team has excavated only a quarter of the site and Mr. Yuan said he could not even guess how many more cultural relics are buried in Xian's yellow earth. He is certain, however, that it will be many times the number — and historical importance — of what has already been found.

In Xian, he said, "It's like every step you take you are walking on cultural relics."

## And the Band Plays On

From Nixon to Clinton, the Army's Ensemble Has Been Serenading Visiting Presidents

By Erik Eckholm  
New York Times Service

BEIJING — Foreign presidents may come and go, Communist Party leaders may rise and fall, but one thing has remained the same through decades of state visits to Beijing: the People's Liberation Army Military Band.

On Thursday afternoon, on the plaza of a Defense Ministry compound in western Beijing, the elite 60-member brass band rehearsed its snappy renditions of "The Star-Spangled Banner" and the Chinese national anthem, "March of the Volunteers," which it will play Saturday at the official greeting for President Bill Clinton before the Great Hall of the People on Tiananmen Square.

The band greets every visiting head of state and performs at every state dinner as well as at various public affairs.

Since it was founded on the instruction of Mao Zedong in 1952, the People's Liberation Army band has performed 48,000 times at important national and international events, according to Colonel Fan Siting, who will conduct the band for the Clinton festivities.

In an interview Thursday, Colonel Fan's predecessor, now retired, reminisced about the first state visit by an American president, that of Richard Nixon in 1972, which he remembers with great pride and clarity.

"We chose the songs very carefully," said the retired band leader, Cheng Yiming. In his day, the time of the radical Cultural Revolution, the military abol-

ished formal ranks, and Mr. Cheng still does not use one. For the welcoming dinner they played "Home on the Range," he said. "This was recommended by the Foreign Ministry, who told us this was a popular song in Nixon's home town and had been performed at his inauguration."

Among other American songs, in between Chinese favorites, was "America the Beautiful," Mr. Cheng said. Later, after dinner and toasts, the host, Prime Minister Zhou Enlai asked the band to play "Home on the Range" again.

Mr. Nixon, in a short speech, thanked the band and said it was the best performance he had ever heard, Mr. Cheng recalled. Mr. Nixon handed out to everyone a glass-encased name card as a gift, he said.

The Nixon visit cracked the solid ice that had characterized Chinese-American relations for more than two decades and it provided the first occasion for the band to play the American national anthem.

"It didn't feel strange to be playing that," Mr. Cheng said, perhaps mindful of today's official friendly face to America. "We should have done it long before. It's natural, the friendship between our two peoples."

At the most recent visit by an American president, that of George Bush in early 1989, the band added "The Yellow Rose of Texas" and "Shenandoah" to the evening repertoire.

Asked what songs the band might play for the Clintons at dinner in the Great Hall of the People on Saturday, the 12



Zhang Wei, 3, weeping in Tiananmen Square on Thursday because his parents made him pose for a photograph.

officers assembled for the interview fidgeted, seemingly worried about revealing secret information. Finally one said: "We don't know yet. The songs are chosen by the protocol department of the Foreign Ministry and they haven't decided yet."

The band is ready to play many different American songs, the officers said, but most are standbys. "There are not enough cultural exchanges, and we expect the Americans to teach us some of the newer popular songs," one said.

The dinner bill will definitely not include the wildly popular song from the movie "Titanic" since the band has not practiced it.

Though it is much less true today, a couple of decades ago the army band was one of the few paths available to a young aspiring musician, providing quite a respectable career. To join, those who pass a qualifying test must first spend three years training in an army arts institute. Once in the band, musicians usually spend their entire careers there.

Now even this stodgy institution in the most stodgy of ministries is trying to branch out: A group of the players formed a jazz band that played earlier this year at a jazz festival here.

A leading saxophonist from the band, who wants to become better known and perhaps land side jobs playing at private parties, recently hired the Beijing Music Hall to put on a concert. He generated advance notices in the press and, with the help of no little free ticket distribution, played to a full house.

BUSINESS:  
A Test of Willpower

Continued from Page 1

China policy was for sale to campaign contributors, the White House is treating American businessmen on this trip like "Typhoid Mary," said one senior member of the American Chamber of Commerce in Beijing.

China's state-run Xinhua press agency reported Thursday night that "several important contracts or agreements" involving aviation, energy and environmental protection would be signed during the visit. But American officials said they expected the deals to be small ones.

The White House policy is short-sighted, some analysts say, because the international marketplace is fast becoming the next battlefield between the United States and China.

While much attention has been placed lately on allegations that U.S. companies illegally provided technology to a Chinese company that helps to improve its long-range rocketry and, thus, China's ability to hit American cities with nuclear warheads, little time has been devoted to the fact that China's trade surplus with the United States will soon surpass Japan's.

American figures place the U.S. trade deficit with China at \$49.7 billion last year. Japan's surplus with the United States was \$56.1 billion.

In recent months, several U.S. enterprises — John Deere, Chrysler, Ameritech, Nalisco, Northern Telecom, and Eveready, among others — have either canceled or scaled back projects in China.

Foreign business figures thought that the creation of a new super-ministry of information would push liberalization, but it appears to be having the opposite effect.

"The worrying thing for the Chinese is that the majority of American businesses are making negative assessments of the situation here," said Nicholas Driver, head of the Beijing-based consultancy Clear Thinking. "This is especially important now that Overseas Chinese are no longer unquestionably doling out millions for the motherland."

Indeed, up to 70 percent of China's foreign investment came from Chinese communities in Southeast Asia.

With the economic crisis that has rolled the region, that investment is drying up.

Chinese officials argue that for all the American complaints, there are more Western businesses in China than in most other Asian countries, and that China is more open than Japan and South Korea.

Guo Shuqing, a senior economist in China's State Council, also argued that American companies benefited from China's trade surplus with the United States because many of the exported items are made by plants owned in part by Americans.

The tribulations of the Chubb operations underscore a fundamental problem in U.S.-China commerce: China's



A Beijing waitress showing a restaurant's George Bush blue plate special.

service sector — specifically financial services — is all but shut to foreign investment. U.S. and Chinese officials have battled on this point for years and it has become a hot topic in China's efforts to join the World Trade Organization.

So far, China has allowed seven insurance companies, including American International Group Inc. and Aetna Inc., to sell insurance in China, but only in two cities.

The licenses are handed out on a purely political basis and China has said that the next American license won't be given until 2000.

Jan Lancaster, the Chubb manager in Beijing, and others argue that allowing foreign service sector companies to operate in China would help solve a severe problem of unemployment. Currently, about 13 percent of China's labor force works in the service sector, compared with 85 percent in the United States.

To be sure, some American companies are doing extremely well in China. Coca-Cola is ubiquitous. McDonald's has transformed itself into a luxury meal. Procter & Gamble is believed to have taken up 50 percent of the urban shampoo market.

But, significantly, American businesses don't report successes because Chinese still look at doing business as a zero-sum game.

If a Western company is doing well, it must mean that China is doing badly. "Deng Xiaoping opened China to foreign investment but no one has ever made it politically correct to make a profit in China," said James McGregor, the head of Dow Jones and Co. in Beijing.

"When you're perceived to be making money here," he said, "there'll be platoons of bureaucrats coming to pick your pockets."

## SUMMIT: Clinton Welcomed to China

Continued from Page 1

order for Mr. Clinton's visit, oblivious to how the detentions could undermine the administration's message that the engagement policy is gradually improving China's human-rights record.

Yang Hai, a student leader in the 1989 democracy demonstrations, was detained Thursday afternoon shortly before he was to give an interview to an ABC News crew at his home in Xian, according to his wife, Wang Jing.

Mr. Yang spent a year in jail for his activities in the Tiananmen protests. He also signed his name to a number of open letters that dissidents have written in recent weeks calling for democratic reforms and an improvement in China's human-rights conditions.

"He was taken away by police on his way home," Mrs. Wang said in an interview. "They are afraid he would call for democratization."

Clinton told the world that China's human rights situation is improving. But this shows it hasn't been improving. They won't even let people speak."

In his arrival statement, Mr. Clinton first noted positive elements in relations. "We Americans admire your accomplishments, your economy, your hard work and vision, your efforts against hunger and poverty, your work with us on peace and stability in Korea and South Asia," he said.

Then he added: "Respect for the worth, the dignity, the potential and the freedom of every citizen is a vital source of America's strength and success. In this global information age, where both economic growth and equal opportunity

are based on ideas, a commitment to providing all human beings the opportunity to develop their full potential is vital to the strength and success of the new China as well."

As for the critics, Mr. Clinton said, "There may be those here and back in America who wonder whether closer ties and deeper friendship between China and America are good."

"Clearly, the answer is yes," he said. "We have a powerful ability to help each other grow."

Mr. Clinton pleased the crowd as he opened his speech with a few words of Chinese: "Ni, hao ma?" — "Hello, how are you?"

He closed by saying "thank you" in Chinese.

On Friday, Mr. Clinton, Hillary Rodham Clinton and their daughter, Chelsea, will tour a village outside Xian before flying to Beijing, where he will receive an official greeting.

## Support From Gingrich

As Mr. Clinton arrived in China, the House speaker, Newt Gingrich, expressed strong support for extending normal trade relations with the Beijing government and predicted that Congress would approve that extension, The Associated Press reported from Washington.

"The practical, commonsense reality is the more the American people deal with the Chinese people the faster we are going to move China to freedom," Mr. Gingrich said.

Congress must vote this summer whether to disapprove Mr. Clinton's decision to extend most-favored-nation status to China for another year.

## BRIEFLY

## 3 Dissidents Seek To Form a Party

BEIJING — Three political dissidents filed an application Thursday to establish an opposition political party in China.

Wang Youcai said by phone that he and two other activists from eastern Zhejiang Province had lodged papers with the provincial civil affairs bureau to establish the Chinese Democratic Party.

The fledgling party's main call is for democratic elections to end the monopoly on power enjoyed by the Communist Party.

"This is the first time in the 50 years since the founding of new China that political dissidents have openly applied to register an opposition party," said Lu Siquan, a dissident spokesman. "It is a significant event in the history of the democratic movement." (APF)

## Beijing Defends Barring Newsmen

BEIJING — China defended on Thursday its decision to bar three Radio Free Asia journalists from covering President Bill Clinton's visit.

"We hope many foreign journalists will come to China to facilitate their legitimate reporting," said the Foreign Ministry spokesman, Tang Guoqiang.

He drew a distinction between other foreign journalists and those working for Radio Free Asia, which is funded by the U.S. government and which has irritated Chinese officials with reports on human rights abuses and other issues.

"Our position on Radio Free Asia is clear and consistent," Mr. Tang said. He would not comment when asked to elaborate on that position.

Just days before Mr. Clinton's departure, China canceled visas for the three Radio Free Asia employees assigned to cover the visit.

Mr. Clinton called the decision "highly objectionable" and his administration protested it through diplomatic channels, to no avail. He gave the three reporters an interview in the Oval Office before departing Wednesday. (AP)

## 3 Killers Executed

BEIJING — Three men convicted of killing an American engineer have been executed in southern China, according to a report Thursday in Beijing.

The three — whose ages range from 25 to 32 — were executed after the Guangdong Province's highest court rejected appeals of their convictions in the killing on March 23 of Leonard Phillips, 42, of Athens, Tennessee, the Yangcheng Evening News reported.

Mr. Phillips, an engineer working at a Duracell battery manufacturing plant in southern China, was stabbed repeatedly in his hotel room in Dongguan, a freewheeling city 96 kilometers (60 miles) northwest of Hong Kong. (AP)

## Approval for Trip

WASHINGTON — Most Americans think President Clinton's trip to China is a good idea but they do not have high expectations that it will produce much, according to an opinion poll that was made public Thursday.

The poll, by CNN, USA Today and Gallup, found that 58 percent of those questioned approved of Mr. Clinton's decision to visit, against 32 percent who disapproved. The rest did not know.

The survey of 1,016 adults on June 22 and 23 found that more people approved than disapproved of Mr. Clinton's handling of relations with China — 40 percent against 37 percent, with 23 percent unwilling to give an opinion.

Expectations were low on two counts — whether the visit will significantly improve relations between China and the United States and whether it will significantly improve the way China treats its citizens.

Forty-eight percent said "no" to the first question, against 42 percent who said "yes."

Seventy percent said "no" to the second question, while 20 percent thought the visit would help Chinese citizens. (Reuters)

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After Hostilities

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Marcos Burial  
After Protests



ASIA/PACIFIC

# South Koreans Raise Captured Submarine

'A Few Dead Bodies' Expected to Be Found

By Don Kirk  
International Herald Tribune

SEOUL — South Korean Navy divers expected to find "a few dead bodies" on a North Korean submarine after they raised it to the surface Thursday, the state-owned Korea Broadcasting System reported.

South Korean security officials met late into the night, discussing how to respond to the foray into South Korean waters and how to defend the country against what are believed to have been repeated North Korean submarine expeditions against the South.

Divers, using welding torches, broke through one hatch of the submarine and

discovered an empty plastic cider bottle from South Korea along with flippers and other infiltration equipment.

This led military observers to conclude that the submarine had picked up North Korean commandos from an infiltration into the South.

"The submarine was not just patrolling," said the Korea Broadcasting System, quoting South Korean defense officials. "They were conducting an infiltration."

South Korea's four major television networks all broadcast footage of the raising of the submarine, which sank as it was being towed into the small port of Donghae after it was snared in the net of a South Korean fishing boat on Monday.

At the time, the submarine was 11.5 miles (18 kilometers) east of the South Korean port of Sokcho, about 20 miles south of the North Korean border, according to the Defense Ministry.

Military officials denied North Korean claims that the submarine had broken down and was adrift.

They said the submarine at the time was heading north, against a southward current. Officials also said that the submarine's engine was running when its propeller became entangled in the net.

Military officials denied South Korean news reports on Thursday that the bodies of eight North Koreans had been discovered on the submarine, an 85-foot, 70-ton Yugo-class vessel. The Korea Broadcasting System and the state-owned Yonhap News Agency both carried the report.

As divers attempted to open a second hatch of the submarine, however, officials said they were certain that several bodies were trapped inside. They did not say, however, if the divers had seen the bodies, noting that the danger of explosives and poison gas was slowing the search.

The entire episode has turned into an embarrassment to the government beginning with the revelation that the South Korean Navy is not capable of guaranteeing security against North Korean submarine incursions. The media here have repeatedly shown footage of the submarine along with a much larger Shark-class submarine that ran aground in the same region in September 1996.

All but two of the 26 North Koreans aboard were later killed. One was captured and the other escaped.

The embarrassment was compounded when the latest submarine foundered in shallow waters as it was being towed to the port of Sokcho on Monday and then sank while it was being towed Tuesday. Opposition politicians have called for disciplinary action against senior military officers.

The timing of the incident in itself was an embarrassment. On Thursday, South Koreans marked the 48th anniversary of the date on which North Korean troops attacked the South, beginning the three-year-long Korean War.

Along with reports of the submarine, the media were full of photographs and articles marking the anniversary.

At a reception for war veterans, President Kim Dae Jung sought a moderate position.

Acknowledging that the episode showed that "tensions are continuing," he said that his government would now have to "flexible North Korea policy" under which he has been calling for reconciliation with the North since his inauguration in February.

Whatever the outcome of the search of the submarine, aides of Mr. Kim said he would not abandon his "sunshine policy" toward the North.

Officials at Hyundai Merchant Marine Co. said that the submarine incident would not delay plans to begin a shuttle service between Sokcho and the North Korean port of Wonsan in late September, ferrying 1,000 tourists a day to look at the scenic region of Mount Kumgang.

A Hyundai delegation is due to go to North Korea in several days to work out details of the tourist trips, arranged by the Hyundai group's founder, Chung Ju Yung, during a visit to North Korea. Mr. Chung, along with three of his brothers and two of his sons, returned from the North on Tuesday.



TAIWAN PROTEST — Some 150 members of Taiwan's Democratic Progressive Party staging a sit-in Thursday outside the American Institute in Taipei to protest President Bill Clinton's visit to China.

## China-U.S. Legal Ties to Be Widened

By Elisabeth Rosenthal  
New York Times Staff

XIAN, China — President Bill Clinton expects to announce a plan on Saturday for extensive legal cooperation and exchanges between the United States and China, according to a White House official.

The plan, the centerpiece of what is described as a "rule of law" initiative, is intended to offer Chinese scholars and officials American expertise as Beijing pursues ongoing legal reforms.

The official, Paul Gewirtz, who is on leave from the faculty of Yale Law School, said Mr. Clinton would announce that the Chinese had agreed on a "variety of cooperative activities" in a wide range of legal areas including the training of judges, legal aid for the poor, reforming legal procedures and "legal protection of human rights."

For the moment, the cooperation described in the plan is largely limited to jointly sponsored symposiums, exchanges of lawyers and judges and other activities that are at least partly symbolic and unlikely to yield concrete results for some time. American and Chinese lawyers have been slowly building such contacts for almost two decades.

Mr. Gewirtz said the administration believed that engaging the Chinese in

such discussions as they were building a new legal system would provide an opportunity to promote democratic values.

"This is an important new channel with the Chinese," he said, adding, "It's a significant step forward on the Chinese side to be open to interactions on these issues."

But some legal experts said that making the plan public as Mr. Clinton was departing for China appeared timed to give the appearance of progress on human rights.

And not all share the administration's optimism over what this initiative might achieve.

"The laundry list might be viewed as areas in which we aspire for cooperation, and the president's visit could create the right political space for these kinds of initiatives," said Sbarro Hom, a law professor at the City University of New York who has been involved in legal work in China for more than 10 years.

"But you have to view this in the context of the long history of such exchanges and what we've learned," he said.

"And there needs to be a serious financial commitment in these areas. Otherwise, they are just being used as political rhetoric."

Legal exchanges and conferences

have so far been almost exclusively financed by universities, and White House officials said that would probably continue to be the case.

The White House initiative is a collection of projects covering areas where there has already been significant agreement between the two sides and areas where the governments are miles apart.

Regarding legal aid for the poor, for example, the Chinese have already begun developing their own system, both publicly and privately financed legal clinics.

And Chinese and foreign organizations are already involved in improving the training of judges.

In the area described in the plan as "legal protection for human rights," there is little common ground.

While the Chinese have expressed a willingness to discuss rights like the presumption of innocence at criminal trials, freedom of speech is not on the agenda, Mr. Gewirtz said.

Although the Chinese constitution guarantees a wide range of rights on paper, they are narrowly defined or not respected in practice.

"What we are proposing is a dialogue," he said. "It's not prison releases."

"But I think it's an important new channel."

BRIEFLY

### China Warns Japan After Ship Incident

BEIJING — China expressed concern and regret on Thursday over Japan's blocking of an attempt by a nationalist group to bolster Chinese territorial claims by sailing to a disputed island group in the East China Sea.

The Foreign Ministry spokesman, Tang Guoqiang, said Tokyo would be responsible for the consequences of collisions between a protest ship and Japanese vessels near the islands, which are known as the Diaoyu in Chinese and as the Senkaku in Japanese.

A rusted fishing boat dubbed Protect the Diaoyu was damaged in collisions with Japanese coast-guard vessels on Wednesday, prompting vessels carrying 40 activists from Taiwan, Hong Kong and China to abandon attempts to reach the islands. (Reuters)

### Japan Kicks Off Crucial Campaign

TOKYO — Candidates kicked off their campaigns Thursday for a parliamentary election widely seen as a referendum on Prime Minister Ryutaro Hashimoto's management of Japan's tottering economy.

The July 12 vote, which affects half the 352 seats in the Diet's upper house, comes amid Japan's deepening economic crisis.

The goal of Mr. Hashimoto's Liberal Democratic Party is to regain a majority in the body — an advantage it already enjoys in the lower house. (AP)

### Rockets Hit Kabul

KABUL — Three rockets slammed into the airport in Afghanistan's war-shattered capital on Thursday while passengers were preparing to board a United Nations plane parked on the tarmac, witnesses said.

There were no reports of injuries in the first attack on the airport in two weeks. (AP)

### For the Record

Sri Lanka said Thursday that more than 260 combatants had died in fresh fighting between government troops and the Liberation Tigers of Tamil Eelam in the northern Wanni region. (Reuters)

## Habibie Promises a New Focus on Human Rights

Reuters

JAKARTA — President B.J. Habibie on Thursday pledged to commit Indonesia to a thorough revamping of its handling of human rights.

In a major departure in style from the former president, Suharto, the country's new leader unveiled a five-year action plan on human rights at a ceremony gathering senior government officials, military leaders and diplomats.

"The key to success in the promotion and protection of human rights lies in the cultivation and strengthening of human rights culture by way of promoting conscientious regard for and knowledge of human rights," Mr. Habibie said in a speech. The plan comes roughly a month after Mr. Habibie replaced his mentor, Mr. Suharto, whose 32-year regime was characterized by abuses of human rights by the security forces.

Mr. Suharto stepped down amid the country's worst political and economic crisis in decades.

Mr. Habibie said the plan, which is to run from this year through 2003, had four parts — the ratification of human rights agreements, the dissemination of information and education on human rights, the creation of measures to address human rights issues and the carrying out of ratified international human rights agreements.

"Today's ceremony attests to the firm commitment of the Indonesian government to the promotion and pro-

tection of human rights and fundamental freedoms of all Indonesian people, without regard to race, ethnicity, sex, language, religion or political persuasion," Foreign Minister Ali Alatas said.

But the 21-page plan, issued a day after Mr. Habibie held talks about the status of East Timor with Bishop Carlos Ximenes Belo, who was awarded the 1996 Nobel Peace Prize, did not mention the disputed former Portuguese colony.

Indonesia invaded East Timor in December 1975 and annexed it the following year in an act not recognized by the United Nations, which still regards Portugal as the administering power.

### Protest in East Timor

Hundreds of East Timorese staged a peaceful protest in the territory's capital,

Dili, on Thursday to commemorate the death of a youth killed last week by an Indonesian soldier, Reuters reported.

Chanting Catholic prayers in Portuguese and the local Tetum language and carrying paper flowers, the protesters, mostly students, marched from East Timor University to the house of Herman das Doros Soares, who was shot to death last week.

No clashes were reported. Plans to stage a bigger demonstration to demand a referendum on independence from Indonesia were canceled after news that rival groups planned a pro-Indonesian rally in the former Portuguese colony.

### Officer Is Replaced

The military commander in Jakarta, a longtime loyalist of former President

Suharto whose forces killed four students at a protest last month, was replaced on Thursday, The Associated Press reported from Jakarta.

The chief of the Indonesian armed forces, General Wiranto, said the decision to remove the officer, Major General Sjafriz Sjanisoedin, from his prominent post in the Indonesian capital was part of a routine shuffle.

Major General Djaja Suparman, the former commander in East Java, succeeds General Sjafriz as the Jakarta commander.

General Sjafriz was in command when police gunned down four students at a pro-reform rally at Jakarta's Trisakti University on May 12.

In Indonesia, police are part of the armed forces.

## CROSSWORD

### ACROSS

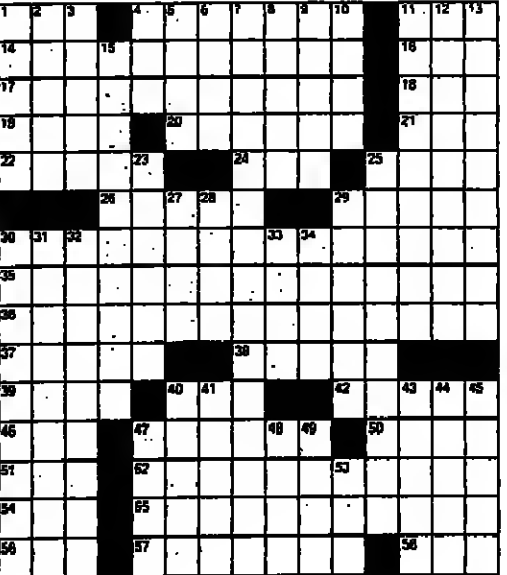
- 1 Hi
- 4 Neanderthal
- 11 Sound-system part
- 14 Refrains from childish behavior
- 18 Jazz guitarist
- 17 Star seeker
- 19 Datebook abbr.
- 20 Author Silverstein
- 21 Certain putdowns
- 22 Liberate, for one
- 23 Switch words
- 24 Math ratios
- 25 Archaic form of "to be"
- 26 Feel
- 28 George Harrison popularized it
- 30 Where "The Snows of Kilimanjaro" first appeared
- 35 English novelist with the pen name Ouida
- 36 College conferrals
- 37 Roosevelt's Secretary of the Interior
- 38 Hid, with "up"
- 39 Sine qua non

### DOWN

- 1 String bean's opposite
- 2 Airline mogul Carl
- 3 Pope who persuaded Athia the Hun not to attack Rome
- 4 Cell sojourner
- 5 Amazon
- 6 Life jacket, e.g.
- 7 Way out?
- 8 Austronesian language
- 9 Feverish fits
- 10 Takes home
- 11 Then
- 12 Indian princess
- 13 Contains of many California orchards
- 15 Having no mentor
- 23 Piled upholstery fabrics with uncut loops
- 25 Corners magician with "the"
- 27 Utah Lake city
- 28 Foot Prefix
- 29 Barracks bosses
- 30 "Ishtar" director
- 31 O.C. United player, a G
- 32 Dummy firearm as on a fort
- 33 Ray of Hollywood
- 34 Highlander
- 40 Darling abroad
- 41 Jewish festival
- 42 Tavern fixtures?
- 44 Pop out of a plane
- 45 Like a gossip column
- 47 The Shirelles "Mama"
- 48 Busted
- 49 Musical mark
- 53 Wife, once, with "the"

### Solution to Puzzle of June 25

PIAF AMEN EDGE  
UNTIL LYLE TUG  
STORE ASIA HIER  
HOMEWORK EIGHT  
GIN NEST  
AVERSE DIRTYWORK  
LIRA ERE ROBE  
PENCE ENE OILY  
SWEET HAIG MODELS  
SARGASSO EBB  
ORIENT TIRELESS  
OOE MAYS VALTA  
AMES AVON SIAL  
RARE NAUT RENT



PERSONAL STOCK PORTFOLIOS  
Up or down? Design your personal stock portfolio and track its daily performance using the IHT site on the World Wide Web.  
http://www.ihf.com

WHO IS  
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## EUROPE

## In Diana's Crash, Scant Evidence Against Paparazzi

By Craig R. Whitney  
New York Times Service

PARIS — French investigators probing the crash that killed Diana, Princess of Wales, and her escort here on Aug. 31 have gathered little evidence to bolster initial police theories that celebrity photographers chasing the car directly caused the driver to lose control, according to a new book that quotes extensively from police reports.

The chauffeur, who was killed instantly, was far over the legal driving limit for alcohol, the French authorities said a day after the accident. That fact remains the biggest single cause of the tragedy, and eyewitness testimony quoted in the book says Diana's Mercedes was some distance ahead of photographers who were pursuing it when it skidded and struck a tunnel support pillar at high speed.

But testimony quoted in the new account nevertheless paints a devastating picture of the behavior of some of the photographers who had been chasing Diana and her escort.

Dodi al Fayed, for 12 hours before their pursuit turned lethal.

Only one of the 10 photographic agency employees who were among the first to arrive at the scene tried to call an ambulance, according to reports of their testimony to the police. Two others spent the first minutes after the crash snapping pictures of the wreck with the Ritz Hotel, and the driver, Henri Paul, the hotel's acting security director, lying dead in the wreckage and the princess and a bodyguard gravely injured.

"It's true, we didn't help the injured," testified one of the two photographers, Christian Martinez, according to the book. "I was paralyzed by the connection between me and the people in the car."

The other photographer, Romuald Rat, reportedly told the police he opened the door and tried to take Diana's pulse as she lay moaning in the wreckage and to comfort a seriously wounded bodyguard, the sole survivor of the crash. Film in Mr. Rat's camera,

however, later showed he had also taken photographs before rescuers arrived.

According to the book, one of the first policemen on the scene, Sebastian Dorzot, testified: "I was trying to push back the photographers, who were violent. In the heat of the action, I was knocked around several times. At no time did a photographer come to give me a hand. They kept taking pictures the whole time."

The princess, Mr. Dorzot said, had her eyes open and spoke words he could not understand. "I think she said 'My God,' seeing her friend was dead," he said.

Neither Mr. Martinez, the police, nor the investigating judges who are expected to bring charges in the case this summer commented Thursday on the extensive excerpts from testimony in the book. "Investigation on the Death of Diana," written by Jean-Marie Pontaut and Jerome Dupuis, two investigative reporters for the weekly newsmagazine L'Express.

The judges could charge some or all of the nine photographers under investigation in the

chase with manslaughter or failure to aid the victims in the accident, both crimes punishable by five years in prison and a 500,000 franc (\$83,000) fine. A 10th man who is under investigation, a motorcycle driver for Mr. Rat, told the police he was disgusted by the photographers' behavior at the crash scene.

The judges could also theoretically charge the Ritz Hotel management with criminal negligence for allowing Mr. Paul to take the wheel while drunk and lacking the chauffeur's license required by French law.

Police reports quoted in the book contradict earlier assurances by the Ritz that no one at the hotel knew Mr. Paul was drunk when Dodi asked him to take the wheel.

Two Ritz barkeepers testified, the book says, that Mr. Paul had two drinks at the counter after being summoned back to work unexpectedly. It adds that Mr. Paul had consumed many more drinks, probably at home.

The police found nothing, officials said, that would confirm theories voiced by Mohamed al Fayed that Diana and Dodi were assassinated.

## Collapse of a Balcony Kills 23 At Stadium in Russian Town

MOSCOW — A total of 23 people died and 39 were injured after the balcony of a stadium collapsed during a wrestling match in the southern Russian town of Nalchik, the Emergency Ministry said Thursday.

The victims were fans who had come to watch the Russian national free-style wrestling championships in the northern Caucasus town.

The spokesman said that it had taken several hours to sift through the rubble but that the rescue operation was now finished.

The accident occurred when a 50-meter-long (160-foot-long) balcony holding more than 100 spectators fell about 5 meters onto spectators underneath.

A government commission was created to determine the cause of the accident. (Reuters)

## Swedes Find Train Wheel Fault

STOCKHOLM — Three Swedish X2000 high-speed trains were taken out of service in Stockholm on Thursday after a faulty wheel was discovered on another X2000 train during a routine check, Swedish Rail officials said.

A railroad spokesman, Bjorn Halden, said the fault could be a result of manufacturing problems. The fault was discovered on one of the trains, while 10 of the trains were examined and declared safe. The three remaining trains were taken out of service as a precautionary measure as railroad authorities did not have time to check them before their scheduled departures.

A broken wheel was found to be the cause of the train crash on June 3 in Eschede, Germany, that killed 100 people. (AFP)

## Greek President in Cyprus

NICOSIA — President Constantinos Stephanopoulos of Greece arrived in Cyprus on Thursday on the first visit by a Greek head of state to this divided Mediterranean island.

The visit is seen as a show of Greek solidarity with Greek Cypriots at a time of increased tension between Cyprus and Turkey, which backs the island's breakaway Turkish Cypriot state.

Mr. Stephanopoulos is a figurehead and his office is largely ceremonial, but his four-day visit has prompted President Suleyman Demirel of Turkey to plan a visit to the Turkish-Cypriot part of Cyprus next week. (AP)

## French Reform Regional Voting

PARIS — The French Parliament has voted to reform the way in which regional councils are elected, in a move ostensibly aimed at ensuring coherent majorities.

The reform follows the uproar after the last regional polls in which several rightist candidates defied their party leaders and accepted the support of the far-right National Front in the battle for control of regional councils.

The reform, approved on Wednesday night, will replace the former one-round system with a two-round poll in which the party that wins an outright majority of votes in the first round will automatically get 25 percent of the seats up for grabs. (AFP)

## Fears of a Spillover From Kosovo's War

Prime Minister Fatos Nano of Albania is concerned that unless decisive military action is taken immediately, the Kosovo conflict could spread into a Balkan-wide problem. In Salzburg, where he was attending a regional economic conference, Mr. Nano spoke with Peter S. Green for the International Herald Tribune.

Q. What is the risk in Kosovo for the outside world?

A. What we risk if we don't act now and in concert with the international community, especially NATO as its defense arm, is that we lose control of everything and that we lose the partners who are willing to work for a peaceful solution in the region: the Greek government, the Macedonian government, the Albanian government and the ethnic Albanian leader Ibrahim Rugova in Pristina.

Rugova risks losing control over the Albanians there if it is not made a priority to stop the Serbian war machine killing civilians in the ethnic Albanian villages of Kosovo.

## Q &amp; A / Fatos Nano

I am hopeful that no one will forget what happened in Bosnia. Let us try to learn from the mistakes of the past.

Q. Is it time for the outside world to take military action?

A. We must have NATO air strikes to stop the Serbs. It has to be done now, because if not, in two weeks I am afraid we will have a new Bosnia with all the consequences that could bring for Western Europe.

If you come to our northern border, you have a real theater of war, with tanks moving around and firing, artillery shelling and soldiers shooting, and if this violence comes to the big towns like Pristina, then Rugova will be simply forgotten.

Q. How far could trouble spread if it breaks loose in Kosovo?

A. Albania, Macedonia and Greece have managed to create a good partnership in the south of the Continent and

are making progress in blocking the spread of the conflict. But any spillover could destroy this European-oriented partnership and create problems for the European Union countries themselves.

We are not only talking about waves of refugees coming to Greece, to Italy, and elsewhere. Destabilizing the Balkans means Lebanonization, and that means destabilizing all of Europe.

Q. Will the ethnic Albanians become terrorists?

A. Kosovo is too close to Europe. It is not only close to Albania, it is close to Greece, Italy, Germany and Switzerland, where there are still many Kosovo refugees. Spontaneous reactions could multiply.

At this point, the best scenario we can envisage is a Northern Ireland one. And if that spreads to the south of Europe, I don't think we could afford that.

Q. What exactly should NATO do?

A. All sorts of artillery installations, rockets and tank units that are firing on civilians in Kosovo should be neutralized. If that means air strikes, then NATO should carry out air strikes.

Q. How far will President Slobodan Milosevic go in fighting to keep Kosovo part of what remains of Yugoslavia?

A. Milosevic will never stop, because he is fighting for personal power in Serbia. The only way to stop him is cutting the functioning of his war machine. He is spending \$1.7 million a day on his war machine in Kosovo.

Q. What will Albania do? How far can Albania go to support military action against Serbia?

A. Albania does not feel alone. It is part of the Partnership for Peace structures in NATO, and it will do what it can within that. But if the United Nations Security Council cannot understand that it is in its interest to take military action against the Serbs, then NATO must do it itself.



## Holbrooke Again Holds Talks With Milosevic

BELGRADE — Richard Holbrooke, the special U.S. envoy, met President Slobodan Milosevic on Thursday for the second time in two days to look for a way out of the Kosovo conflict. A news blackout was thrown over the talks, after which Mr. Holbrooke was to fly back to Yugoslavia's embattled province.

Meanwhile, Russia said it was up to Kosovo's ethnic Albanians to respond to an offer of autonomy from Mr. Milosevic and insisted that NATO could not intervene without United Nations approval.

Germany reiterated that the North Atlantic Treaty Organization was poised for strikes against Yugoslavia over its bloody crackdown on the Kosovo Albanians but the West agreed with Russia that the Kosovars must settle for autonomy rather than outright statehood.

The big powers fear that granting Kosovo independence would set off a chain reaction of demands for the same prize from disgruntled minorities nearby in the Balkans, especially ethnic Albanians in Macedonia.

Mr. Holbrooke, fresh from being named U.S. ambassador to the United Nations, has begun another round of the shuttle diplomacy for which he gained fame in 1995 as architect of Bosnia's peace treaty.

On Wednesday, he toured the southwest region of Serbia's province of Kosovo to see close up the extent of the fighting and damage, which has put tens of thousands of ethnic Albanians to flight. More than 300 people have been killed since February, when Serbian security forces started cracking down on armed insurgents of the Kosovo Liberation Army.

On Thursday, witnesses reported that the guerrillas had captured an important coal mine west of Kosovo's capital Pristina and were conducting daylight patrols within sight of the city.

## Proof Found of Germ Warfare in WWI

By William J. Broad  
New York Times Service

NEW YORK — It appeared to be a harmless lump of sugar, albeit a lump of sugar dating from World War I. But when scientists examined it, they found living anthrax spores, apparently placed there 80 years ago by a German intent on disrupting the Allies' horse- and reindeer-drawn supply lines across northern Norway.

Their analysis of the lump and its shadowy history, which they describe in the current issue of the journal Nature, illuminates one of the few confirmed instances of the use of germ weapons in warfare.

The anthrax microbe is one of the most common agents of germ warfare and terrorism. It causes an infectious disease in wild and domesticated animals, including cattle and sheep, and can also strike humans with an often fatal illness.

Historians have often said that Ger-

many engaged in widespread germ warfare in World War I, especially against Allied horses, which were critical to many aspects of the war effort. But the evidence was usually sketchy, and Germany vehemently denied the reports.

The new detective work, by four scientists from the British germ-defense unit and the Norwegian military, began when the curator of a police museum in Trondheim, Norway, found in an archive a bottle with two sugar lumps.

An attached note translated, "A piece of sugar containing anthrax bacilli, found in the luggage of Baron Otto Karl von Rosen, when he was apprehended in Karasjok in January 1917, suspected of espionage and sabotage."

The curator inspected the lumps and found that each was pierced by a small hole. One hole contained a tiny sealed glass tube. Alarmed, he sent the exhibit to Norwegian defense authorities, whose scientists began the analysis.

First, in a cabinet that had been carefully sterilized, the glass tube was

broke open and its contents cultured. The scientists report in Nature. With some delicate prompting, germs grew and multiplied. They were identified as Bacillus anthracis.

"It proved possible," the article said, "to revive a few surviving organisms from the brink of extinction after they had been stored, without any special precautions."

One intriguing question, the scientists said, is what the baron, "a Swedish-German-Finnish aristocrat," and his colleagues intended to do with the anthrax. Later, after the baron had been expelled to Sweden as a result of diplomatic pressure, a belated inspection of his baggage produced bottles of the deadly poison curare, microbial cultures and 19 sugar lumps.

It appears that the tested lump was the only surviving weapon in that small arsenal of germ warfare. The scientists say the baron's mysterious companions admitted that they had been organized to sabotage war equipment.

## Basque Councilor Killed by Car Bomb

RENTERIA, Spain — A politician of the governing Popular Party was killed Thursday in an attack authorities blamed on the Basque separatist group ETA. The killing came just six months after his predecessor was shot dead by an ETA gunman.

The politician, Manuel Zamarrero, a councilor in this northern Basque town, died from wounds caused by a bomb apparently planted in a motorcycle parked on a street corner. Interior Minister Jaime Mayor Oreja said at a news conference in Madrid.

The bomb exploded when the councilor and his bodyguard walked by shortly after 11 A.M. The bodyguard was also wounded, but his life was not in danger.

"Everything points to this being an ETA attack," Mr. Mayor Oreja said.

Mr. Zamarrero, 43, father of two, replaced Jose Luis Caso in the Renteria council last month. Mr. Caso was shot and killed in a bar by an ETA gunman on Dec. 11. Both men's lives had been threatened.

A third Popular Party councilor from the same town, Concepcion Gironza, resigned in April when the pressure of being a potential ETA target became too much.

"He knew the risk that he ran, he was fully conscious of the difficulties," Mr. Mayor Oreja said after condemning the attack against Mr. Zamarrero and praising the councilor's bravery.

If proved to be the work of ETA, Mr. Zamarrero will be the sixth town councilor linked to the Popular Party killed by the separatists over the last 12 months, and the fourth so far this year.

ETA, standing for Basque Homeland and Freedom, has killed 800 people since beginning its campaign in 1968 for a Basque state straddling the Spanish and French border.

The group has taken responsibility for five killings so far in 1998 — three town councilors, the wife of one of them, and a retired Civil Guard officer.

Governing party councilors have become ETA's preferred victims, apparently in retaliation for the hard anti-ETA stand of the conservative government of Prime Minister Jose Maria Aznar.

Over the last year, the government has boasted several major blows against the separatists. Earlier this month, the police shot dead a suspected ETA member during a police raid on a hideout.

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# Herald Tribune

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## AIDS Running Wild

The latest figures on the global AIDS epidemic are frightening beyond expectations. A country-by-country analysis by the United Nations AIDS program has found that HIV, the virus that causes AIDS, is running wild through many parts of the developing world, especially the impoverished nations of Africa south of the Sahara.

The virus has infected one in four adults in Botswana and Zimbabwe, and almost one in five in several other African countries. Most do not even know they harbor the virus. Virtually all are doomed unless modern science or their own beleaguered governments can pull off some miracle not yet in sight.

As it stands now, the AIDS pandemic is destined to rival the Black Death of the Middle Ages and the influenza pandemic of 1918-1919 as a global horror.

Unfortunately, there are no sure-fire weapons to bring the epidemic under control. Drugs to treat the disease have

become increasingly effective, but they are prohibitively expensive for poor countries where the virus is most prevalent. Although it is heartening that several drug companies are planning huge price cuts for poor nations, even that will leave the cost too high for most Africans.

Prevention programs stressing health education and condoms have helped some countries slow transmission of the virus, but the best hope would be a vaccine to prevent infection. The first full-scale clinical trial of an AIDS vaccine is just getting under way in the United States and Thailand, but many experts believe that the vaccine being tested is not yet promising. The message in the latest UN estimates is that efforts to secure an effective vaccine must be broadened and greatly intensified. Otherwise, today's shockingly high HIV infection rates will only get worse.

—THE NEW YORK TIMES

## A Clinton Duty in China

### Speak Plainly

We would feel more confident about the lasting value of President Bill Clinton's trip to China, which began on Thursday, if we knew that someone had included among his briefing papers a summary of President Ronald Reagan's extraordinary visit to the Soviet Union in 1988.

President Reagan used that trip to meet with prominent dissidents and speak directly to Soviet audiences about fundamental freedoms and the advantages of democracy, and there was little that his host, Mikhail Gorbachev, could do about it but grumble.

Mr. Reagan knew that one of the important powers of a traveling president is the right to speak plainly in lands unaccustomed to open debate. Mr. Clinton has the same luxury. The cause of human rights will be poorer if he squanders it.

His aides have said he will address the issue in some way, and there is no shortage of promising venues. His itinerary includes a small village that has just conducted its first open election, an ecumenical church, and a classroom at Beijing University.

But there is one obvious setting in which he can seize the moment, positively but firmly, to assert American values. That is Tiananmen Square, which he will visit on Saturday, where hundreds of peaceful pro-democracy demonstrators were slaughtered on June 4, 1989.

The Chinese, of course, prefer to see Mr. Clinton's visit to Tiananmen Square not as a reminder of that tragedy but as a form of closure, a way of saying farewell to a relationship strained by that memory, and of moving quickly to the "constructive stra-

tegic partnership" celebrated in last fall's meeting in Washington between President Clinton and President Jiang Zemin.

But why accept Beijing's definition of what the Tiananmen visit means? More than 700 people were arrested there nine years ago, and many are still in prison. Mr. Clinton can honor their memory by describing their sacrifice as a reminder of how much further China and its leaders must travel.

This is one of the points the president's Republican critics have been trying to make on Capitol Hill. On Tuesday they tried unsuccessfully to ram through a series of amendments that, among other things, would have denied visas to Chinese officials involved in religious persecution or forced abortions, and put new restrictions on some forms of economic aid.

Senate Democrats said the entire exercise was an attempt to embarrass the president. "I'm not going to allow one single vote on China this week," said Senator Thomas Daschle, the Democratic leader. But there are also plenty of liberal Democrats who believe that in pursuing his policy of engagement Mr. Clinton has looked squishy on human rights.

Of course China cannot be viewed through a single lens, and of course there will be other important issues on the president's agenda in the coming days. But the Chinese leadership has already profited greatly from his visit. His very presence is an affirmation of Beijing's growing power.

The Chinese are certainly strong enough to hear straight talk on American values, and a presidential statement of solidarity with the democrats in Chinese society. A show of presidential will would not disrupt the trip. It might even make it memorable.

—THE NEW YORK TIMES

### Sour Foretastes

China's decision to bar three journalists from Bill Clinton's press plane contributes to a less than auspicious beginning of the first visit by a U.S. president since the Tiananmen massacre of 1989. One would have hoped that China would respect the president's right to travel with a delegation and press corps of America's choosing. One would have hoped, too, that he would have fought harder for that right — at least canceling the tourist portions of his visit in protest. Instead, Mr. Clinton acquiesced to China's slight.

His award of an interview to the three rebuffed Radio Free Asia reporters before he departed for Xian on Wednesday might have seemed enough of a consolation prize had the whole incident not occurred in an atmosphere of U.S. accommodation to Chinese demands.

There was, for example, Mr. Clinton's acceptance of China's demand that he be received next to Tiananmen Square, thereby bolstering China's campaign to show that the world is ready to accept, forget or at least move beyond the 1989 shootings.

There was, as reported in The Washington Times on Tuesday, the decision by America's ambassador to China to bar the Voice of America from adding a second correspondent to its Beijing bureau, again apparently so as not to offend China's rulers.

There was the administration's inability to find room, in a traveling party of roughly 1,000, for the State Department's top coordinator on Tibet, a person who was appointed ostensibly to demonstrate the administration's concern with human rights abuses there.

And then there was the story on Tuesday of the missing circuit board, the latest in a disturbing series of reports relating to Chinese weapons proliferation and the sharing of U.S. technology with China.

When a Chinese rocket carrying a U.S. satellite exploded in 1966, Chinese officials barred all Americans from the crash site for five hours. When access finally was permitted, a secret encoded circuit board was missing. Administration officials said that it might have fallen out, and that even if Chinese officials had fished it, the threat to U.S. national security would be nil or minimal, because the encryption technology was not the latest. Somehow, those caveats weren't all that reassuring.

Mr. Clinton is correct when he says that China and the United States would both gain if they could cooperate on trade, environmental protection, regional stability and other issues. But such cooperation can be viable only in an atmosphere of trust and honest dealing. The substance of recent news reports suggests a deficit in those areas that no amount of summit pageantry and banqueting is likely to overcome.

—THE WASHINGTON POST

# Clinton Does Well to Try to Cooperate With China

By Walter Russell Mead

PARIS — For better or worse, the U.S.-Chinese relationship seems destined to be one of the principal pivots in international relations well into the 21st century. The Clinton administration will be judged more kindly by historians than by contemporaries for its farsighted China policy.

Occasional clumsy missteps — the decision to meet in Tiananmen Square, the fund-raising frenzy that allowed political opponents to charge that U.S. policy toward China was for sale — should not obscure the big picture.

President Bill Clinton was right to make an improved relationship with China an important part of his foreign policy, even if that meant making the tough decision to down play human rights in the interest of better relations on a broad range of issues.

That decision on human rights, and the policy that flows from it, have enraged China's many critics in the United States. The left denounces China's poor record on labor rights, political rights and the environment, and its repression of Tibetan Buddhists. The right denounces China's forced family planning and abortion policies, its one-party Communist system and its repression of Chinese Christians.

There is merit in all these charges, and more. But no catalogue of China's shortcomings should make us lose sight of the central fact of modern Chinese life: that the present government is incomparably the best and most successful government in China's 3,000-year history.

Taking China as a whole, human rights and individual property have never been so well respected. Indi-

viduals have never been so free to pursue their own economic, cultural, religious, political and social interests. No Chinese government has ever brought so many people out of poverty. Few, if any, have enforced the law so fairly across so wide a territory.

Moreover, no Chinese government has ever dared to open China to outside influences the way this one has.

With the end of the Cultural Revolution, China launched a great experiment, sending tens of thousands of the best and brightest of the rising generation to study abroad in Western universities. At the same time, Western teachers and books have been imported into China on an unprecedented scale, and Western businesses have penetrated deeply into the framework of China's economic life.

Tens of millions of Chinese people today have had direct contact with the world of ideas beyond China. More than any previous generation, they understand how non-Communist political and economic systems work, and have firsthand experience in working in market-oriented enterprises in an international context.

Whatever happens in the labyrinthine intrigues of Beijing politics, the consequences of this vast and daring opening will shape Chinese life in the decades to come.

There may well be more tragic incidents like the attack on the students at Tiananmen. Many more courageous and patriotic Chinese will suffer jail or forced exile for their beliefs. But the

present Chinese government has set a process in motion that has already changed China for the better, and will bear fruit in more changes still.

China's critics need to approach it with more sympathy. It has more than a billion people; no Western government faces the challenge of governing a society this large, this poor, this traumatized by history. Feudalism, nepotism, corruption and the oppression of women and ethnic minorities have deep roots in popular and elite culture. China's 20th century history has been a series of epic disasters: invasions, civil wars, anarchy, the Great Leap and the Cultural Revolution.

That the government and society are not perfect should not surprise us. Nevertheless, it would be hard to find any country on earth where human rights conditions and economic prosperity have improved so dramatically in the last generation.

The political, economic and social progress since the Cultural Revolution has been breathtaking.

Chinese workers may be poorly paid, but in "democratic" Russia corrupt former Communist officials make fortunes from corruptly privatized industries while millions of Russian workers receive no wages at all for months at a time.

China's record on religious freedom looks good in contrast to such American allies as Saudi Arabia and Pakistan. And one does not have to look far in Asia and Africa to find countries where the rule of law is less respected than in the Middle Kingdom.

What Mr. Clinton appears to realize is that U.S.-Chinese relations are not

fundamentally about money. They are about peace — peace in Asia and therefore peace in the world.

China is a rising superpower which could threaten the balance of power in Asia. The United States has learned that it cannot permit any other single power to dominate either Europe or Asia. Attempts by Germany, Japan and the Soviet Union to overturn the balance of power led the United States into both world wars, the Cold War and the Korean and Vietnam conflicts.

This reality leaves America with stark choices. Either it builds a relationship with China that integrates China into a broader Asian and world order which accommodates Chinese interests while preserving a basic balance of power, or it must prepare to oppose China's power as it grows — a policy that could lead to war.

The wisest path is clearly to seek improved relations with China while maintaining America's current alliances and relationships in Asia.

American strength in Asia gives China incentives to seek integration into what is fundamentally an American-sponsored regional order. But China will oppose that order if its interests cannot be accommodated within it. Therefore, a policy of American engagement and strength in the region needs to be matched with a sincere willingness to include China, consult with it and address its concerns.

The writer is the senior fellow for U.S. foreign policy at the Council on Foreign Relations in New York. He contributed this column to the International Herald Tribune.

## At Tiananmen, Proclaim Who Was on the Right Side of History

By Richard Cohen

WASHINGTON — President Bill Clinton does not travel light. He arrived in China with 10 limousines, 500 staff members, 200 reporters, five cabinet members, six congressmen, his wife, his daughter — and not listed anywhere on the manifest — the looming example of Ronald Reagan.

With any luck, Mr. Clinton will do at Beijing University what Mr. Reagan did at Moscow State University in 1988: Explain what it means to be an American.

Mr. Reagan did that brilliantly, telling his student audience, and those watching on television, about the independence, academic freedom and, very significant in his eyes, the importance of limiting government.

For Mr. Clinton, this is a

hard act to follow; he lacks Mr. Reagan's thespian gifts. But the president clearly intends to say something about human rights. He need not be bombastic, nor should he preen. But Americans are more than mere traders who would whistle past a prison full of political prisoners on the way to strike a deal.

Mr. Clinton will be officially greeted on Saturday to Tiananmen Square where, in 1989, the army annihilated pro-democracy protesters, most of them students. How many died? No one seems to know. Surely it was hundreds, maybe more.

Did the dead include that young man — the one in the white shirt and dark pants — who stood so bravely in front of a line of tanks? No one knows that, either. As long as there is memory, though, that fellow will live.

China is a proud country, an ancient civilization which, understandably, is fed up with being told by Western powers how to behave.

It will do as it pleases, and it has done pretty well of late. The Chinese have raised their standard of living to a dramatic fashion. The country has gone from a poor state to one where personal liberties are taken for granted. Its economy is evolving from rigid socialism to a rambunctious something else. A little study makes demonizing China all but impossible.

Of course, China has some-

thing like 2,000 political prisoners. It has no free press and its government was hardly elected. It has but one party.

But local elections are permitted, some political prisoners have been freed, and bit by bit China is learning (often from American experts) about the rule of law.

The picture when it comes to religion is just as mixed. The China of the American right, the one described by Senator John Ashcroft, Republican of Missouri, as "the worst persecutor of people of faith," does not exist.

The country refuses to conform to any stereotype, except that to most areas it is slowly improving. It no longer is a youthful revolutionary society, but a middle-aged world power with commensurate ob-

ligations. It frequently cooperates with the United States.

It remains, though, the sort of place where, at the caprice of the authorities, an individual can be jailed, even executed. When it comes to human rights, China still remains (often from American experts) about the rule of law.

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## Now Comes the Hard Part for the Growing New Europe

By Flora Lewis

SALZBURG — The first three ex-Warsaw Pact states to join NATO will become full members next spring, and five Eastern countries, plus Cyprus, have started formal talks for entry into the European Union.

Every responsible politician, east and west, makes a big point of saying that this is only the beginning, the doors will remain open, there will be no new dividing line through Europe.

And yet there is more and more recognition that the old line, symbolized by the Berlin Wall, is still there and will probably last for quite a while.

A lot has changed in the mere nine years since the wall was pulled down, and remarkably peacefully. But the division has

not disappeared. It weighs in many ways. That was said openly and repeatedly at the World Economic Forum's third Central and Eastern European Economic Summit in Salzburg.

There were a thousand people, twice as many as two years ago, and concrete questions showing a lot of interest in promoting business.

Time is an issue. The Easterners are in a hurry to be accepted, or to qualify as candidates in the next batch of talks. The Westerners speak soothingly of unifying Europe and of the moral obligation to undo the post-World War II partition. But they warn of difficult

adjustments on both sides. They are not in a hurry to make room for impatient newcomers. It is a strange, uncomfortable mood. The differences are greater and harder to resolve than the euphoria at the end of the Cold War left room to imagine. The big decisions of principle have been made, and will not be reversed. But they provoke a whole nest of new problems, strains and fears for Europe to face in the new century.

Superficially, the major cities are taking on the same glossy, bustling, self-indulgent look. But living standards prove drastically different.

Ursula Engelen-Kiefer, deputy chairman of the powerful German trade union federation, complained that Eastern governments are too strong and employers' federations too weak to make adequate negotiating partners for labor and its demand for a high level of social security protection. A Polish economist said her approach would only increase unemployment.

Austrian Chancellor Viktor Klima pointed out that Ukraine, not a declared EU aspirant but not far away, has 50 million people living on 6 to 8 percent of Austrians' per capita income. He is obviously worried about massive migration.

All the candidate countries are launching the elaborate legislative and administrative reforms needed to bring their national practices up to EU standards — the *acquis communautaire* that all must accept. But it turns out that several lack the capacity to put new rules to place.

Ex-Communist apparatchiks don't know how to go about it. And Poland's anti-Communist nationalists don't see why they should bow before Brussels.

The biggest difficulty is neither technical nor economic. It is the human one. Lithuania's President Valdas Adamkus, who spent most of his life in the United States, is pressing to be added soon to the list of negotiators. But to prepare his

country, he has to rely on the new generation. "They have no experience but it's easier to teach them the jobs than to change the older people's mentality."

Some of the younger speakers gave a different perspective. There is a growing resentment that the West is being too generous, too tolerant of Russia's bumbling, corrupt, unproductive reforms. "A second Yalta," one Pole has called it, demanding that the West "crack down."

Their elders remind them that a poor, chaotic Russia is a dangerous neighbor and that their own economies would benefit from Russian recovery, but that is not comforted self-evident.

There really is a blueprint for the new Europe, and the outlines of a map to get there. All agree that it has to be democratic and market-based. But all know that their constituents and market forces have priorities that conflict with those of others.

There isn't an atmosphere of confrontation, but the easy consensus on cooperation goes little beyond rhetoric. As Mr. Klima said, "the direction is right." But it won't be easy getting there, and it won't be quick.

It is not just a matter of lack of vision and statesmanship, although they can help. It is that stubborn human beings find it hard to change.

Flora Lewis

## The World Capital of the Victims

By Larry Minear

GENEVA — A week in Geneva offers an inside look at the world's effort to guarantee basic human rights and emergency sustenance to imperiled populations.

Locus of many humanitarian agencies and coalitions, home of the UN commission for human rights and refugees, and venue of diplomats with humanitarian portfolios, Geneva is the humanitarian capital of the world.

Last week the agenda included conferences on workers' rights around the world, on refugee and migration issues in the former Soviet Union, and on the connections between emergency relief and longer-term economic aid.

Consultants and other experts came and went, enjoying the elegant Palais des Nations grounds and views of Mont Blanc. Penetrating the normal round of meetings were unsettling developments in Sierra Leone, the Great Lakes region and Kosovo.

From Sierra Leone arrived documentation of atrocities by militiamen against civilians for suspected sympathy with the Freetown regime and the West African peacekeeping force. Unspeakable atrocities against farmers, petty traders, students and particularly women mutilate rather than kill. The perpetrators now place notes to the government and the West African force in the pockets, or

on what is left of the appendages, of their victims.

Unlike West Africa and the Great Lakes, Kosovo was from-front-page news. After the closing of the border with Albania, the major refugee exodus had been stanchied. By then there were already some 12,000 refugees in Albania, about the same number in Montenegro, and many more displaced in Kosovo itself.

UN and private agency officials feared that the situation would deteriorate further, despite Western diplomacy and NATO muscle-flexing. As in Africa, maintaining international presence in the conflict areas was proving difficult.

On Monday, a senior UN official linked the bloodletting he had seen in Sierra Leone to the need for an International Criminal Court to prosecute crimes against humanity.

On Wednesday, other UN officials expressed the view that it was no longer sufficient for humanitarian officials to denounce atrocities while being unable to prevent their recurrence. The new court, they said, would be the first effective weapon against a culture of impunity.

The week's statements attracted scant media attention. Perhaps the most egregious assaults on humanity have lost

their power to shock. Still, there appears to be a growing consensus that human rights are too important to be the sole preserve of human rights and aid agencies, and need to be given higher priority by the entire international system.

Emergency relief work needs to continue, without political agendas, but officials ought realize the need for such assistance to affirm basic human rights.

Nine major coalitions of private relief groups, meeting last week in Geneva, turned their attention to how that might be done.

And the International Committee of the Red Cross had convened its delegates from around the world to carry out new policies.

A full decade into the post-Cold War era, the international community is still struggling with the challenges posed by a new kind of conflicts. Those dug in on the front lines against the ascending forces of inhumanity are sending messages to Geneva and beyond as urgent as those appended to Sierra Leone's mutilated civilians. Such messages deserve an answer.

The writer co-directs the Humanitarianism and War Project at Brown University in Providence, Rhode Island. He contributed this column to the International Herald Tribune.

### IN OUR PAGES: 100, 75 AND 50 YEARS AGO

#### 1898: Free Trade

PARIS — The New Orleans "Picaune" says: "One result of the most decisive sort that will flow from the war with Spain will be a radical change in all American national issues. A country with extensive foreign colonies, such as the United States is likely to have, can no longer maintain a policy of commercial isolation in the form of high prohibitive tariffs on imports. The fetter of protection will be discarded. Annexation means free trade with all annexed countries."

#### 1923: Negro Exodus

BIRMINGHAM, Ala. — To what extent the migration of negroes from Alabama is due to the Ku Klux Klan is a subject of lively controversy among its citizens. The problem is proving of greater importance to the State. Substantial blocks of the

minority race are answering the industrial call of the North and thereby causing deep concern among the citizens interested in the development of the South. The iron and coal mines and steel plants are finding it increasingly difficult to get common labor. Some farmers are complaining of the shortage of farmhands for the first time in the history of the State.

#### 1948: Fear Campaign

BERLIN — The Russians, by propaganda and physical acts, launched an all-out campaign to convince Berliners in the Western sectors that unless the Western Allies leave, the population will be victims of starvation, economic chaos, and possibly in some cases arrest. With the Soviet economic blockade tight around the city, cutting it from all its Western food and coal supplies, the Russians were calculating using fear as a weapon.

Shaky CNN Undercuts th

By Walter

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OPINION/LETTERS

# Shaky CNN-Time Report Undercuts the UN in Iraq

By William Safire

WASHINGTON — Nothing is more criminal in war than the use of poison gas. Thus it was with some horror that we read and watched the accusation by Time magazine and CNN that the United States used poison gas — sarin, a lethal nerve gas — in a commando raid in Laos during the Vietnam War.

Not since the KGB disinformation department spread word that the United States was causing the AIDS epidemic in Africa has there been such a charge of American evildoing.

This time it was Ted Turner's own responsible news organization, citing 200 interviews during an eight-month investigation, reporting eyewitness accounts of the atrocity. Time wrote that Admiral Thomas Moore, then chairman of the Joint Chiefs, was "confirming the use of sarin."

The Time-CNN report seemed airtight. One of the commandos said he had called in air force choppers to drop "sleeping gas" — slang for nerve gas — that killed pursuers. Peter Arnett, whose on-air coverage in Vietnam made his reputation 28 years ago, stated as fact that Admiral Moore "and other top military officials have confirmed the use of sarin."

But then, on closer examination, the report, a "grabber" needed to launch the news-magazine-TV joint venture, began to fall apart.

Walter Isaacson, said "we feel that the doubts raised deserve full exploration" and promised to "correct any mistakes and clarify any disputes that remain."

But the doubts will never go away. Blame-America types will always believe it. My Lai happened, they will point out — why not this atrocity?

Though not so intended, this questionable report about poison-gas use, slyly cast as an accusing question to Time's headline, will reinforce CNN's favored access to facilities in Baghdad.

We know for certain that one nation in our time has developed and used poison gas: Iraq dropped mustard gas on Kurds in Halabja in 1988, killing 5,000. (That is documented; soon after, a Kurdish contact sent me authentic film of the attack and Dan Rather broadcast it on CBS.)

This week, Jim Hoagland and Vernon Loeb of The Washington Post revealed the recent discovery by UN inspectors of deadly nerve gas traces on missile warheads built in Iraq before the Gulf War.

This means that Saddam Hussein has long lied about having, and probably still has, chemical weapons of mass destruction.

At the Security Council, Richard Butler, head of the UN Special Commission, laid out the scientific evidence Wednesday to France, Russia and China.

These nations, eager to believe Mr. Saddam, demand that Mr. Butler show more hard evidence before any surprise inspections. As usual, Iraq denies all, and warns of "grave consequences" if the United Nations does not soon lift all sanctions.

The nerve gas evidence may buy the United States a couple of months. Then Mr. Saddam will begin harassing inspectors again. The UN secretary-general, Kofi Annan, who doubled Iraqi oil exports, will find a fallback compromise. President Bill Clinton, bawling down the U.S. military presence, will accept the further fraying of resolve and proclaim peace for our time.

And Mr. Saddam's friends will say: Everybody knows the Americans used nerve gas in the Vietnam War. Are they not hypocrites to object to his having a few warheads to protect him from the Israelis?



## LETTERS TO THE EDITOR

### Asian Sweatshops

Regarding the report "In the Asian Crisis, Even a Sweatshop Job Beats No Job at All" (June 16) and "Asian Sluts Alone Don't Explain This Crisis" (Opinion, June 17) by Tang Chee-hwa:

Nicholas D. Kristof's photograph, even more than his words, conveys the "tough times" of sweatshops. It is an eerie experience to compare his reports with the pictures and commentaries of Jacob A. Riis about such shops in New York in the 1870s and 1880s.

Perhaps a renewed muckraking campaign, Riis-style, will reform transnational corporate practices and introduce universal labor standards for wages, hours and working conditions.

Of course, what is really required is a global "jobs for all" program, with proper pay, decent working conditions and worker participation in decision-making.

Such a sensible investment of the world's wealth could forever end the recurrence of sweatshops and would be a major step in

working together for the "shared growth and prosperity" urged at the Melbourne meeting of Asian financial leaders on June 17.

BERTRAM ALLAN WEINERT, NICE.

### Austrians' EU Jitters

William Pfaff's discussion of Austria's role in the EU ("Don't Expect Austria to Put Europe in the Phoebe Book," Opinion, June 15) implies that Austria's relationship to the EU is much more problematic than it really is.

In a 1994 referendum, Austrians approved the decision to join the EU by a two-thirds majority. The drive to expand the Union to the east, which Austria's government officially supports, has indeed dampened the EU's popularity.

This is not due to confusion about Austria's historical connections with Eastern Europe, but rather to the fact that the average Austrian is just as susceptible to populist economic arguments against free trade with poorer countries as was the average

# Two Languages Double the Fun

By Ariel Dorfman

DURHAM, North Carolina — Ever since I settled in the United States 18 years ago, I have hoped that the nation might someday become truly multilingual, with everyone speaking at least two languages.

I am aware, of course, that my dream is not shared by most Americans. If the outcome of California's referendum on bilingual education this month is any indication, the nation will continue to stubbornly prefer a monolingual country.

California voters rejected the bilingual approach — teaching subjects like math and science in the student's native language and gradually introducing English. Instead, they approved what is known as the immersion method, which would give youngsters a year of intensive English, then put them in regular classrooms.

The referendum was ostensibly about education, but the deeper and perhaps subconscious choice was about the future of America. Will this country speak two languages or merely one?

The bilingual method, in spite of its detractors' claims, does not imprison a child in his or her original language. Rather, it keeps it alive in order to build bridges to English.

The immersion method, on the other hand, wants youngsters to cut their ties to the syllables of their past culture.

Both methods can work. I should know. I have endured them both. But my experience was unquestionably better with bilingual education.

I first suffered the immersion method in 1945 when I was 2. My family had recently moved to New York from my native Argentina.

York from my native Argentina, and when I caught pneumonia, I was interned in the isolation ward of a Manhattan hospital.

I emerged three weeks later, in shock from having the doctors and nurses speak to me only in English. I did not utter another word in Spanish for 10 years.

That experience turned me into a savagely monolingual child, a xenophobic all-American kid, desperate to differentiate himself from Ricky Ricardo and Chiquita Banana. But when my family moved to Chile in 1954, I could not continue to deny my heritage. I learned Spanish again in a British school in Santiago that used the gradualist method. Thus I became a bilingual adolescent.

Later, during the ideologically charged 1960s, I foolishly willed myself to become monolingual again, branding English as the language of an imperial power out to subjugate Latin America. I swore never to speak or write in English again.

The 1973 military coup in Chile against the democratically elected government of Salvador Allende sent me into exile — and back into the arms of English, making me into this hybrid creature who now uses both languages and writes a memoir in English and a play in Spanish as if it were the most ordinary thing to do.

I have developed a linguistic ambidexterity that I will be the first to admit is not at all typical. Even so, it is within reach of others if they start early enough, this thrilling experience of being dual, of taking from one linguistic river and then dipping into the other, until the confluence of the two vocabularies connects distant communities. This is an experience I wish all Americans could share.

Or maybe I would be satisfied if voters in this country could understand that by introducing children from other lands to the wo-

ders of English while leaving all the variety and marvels of their native languages intact, the American experience and idiom are fertilized and fortified.

If people could realize that immigrant children are better off, and less scarred, by holding on to their first languages as they learn a second one, then perhaps Americans could accept a more drastic change.

What if every English-speaking toddler were to start learning a foreign language at an early age, maybe in kindergarten? What if these children were to learn Spanish, for instance, the language already spoken by millions of American citizens, but also by so many neighbors to the South?

Most Americans would respond by asking why it is necessary at all to learn another language, given that the rest of the planet is rapidly turning English

Both methods can work. But immersion cuts ties to the past culture.

into the lingua franca of our time. Is it not easier, most Americans would say, to have others speak to us in our words and with our grammar?

Let them make the mistakes and miss the nuances and subtleties while we occupy the more powerful and secure linguistic ground in any exchange.

But that is a shortsighted strategy. If America does not change, it will find itself, let us say in a few hundred years, to be a monolingual nation in a world that has become gloriously multilingual.

It will discover that acquiring a second language not only gives people an economic and political edge, but is also the best way to understand someone else's culture, the most stimulating way to open your life and transform yourself into a more complete member of the species.

No tengas miedo. Do not be afraid. Your children will not be losing Shakespeare. They will just be gaining Cervantes.

The writer, a professor of literature and Latin American studies at Duke University, is the author, most recently, of "Healing South. Looking North: A Bilingual Journey."

## BOOKS

### A WASHINGTON TRAGEDY: How the Death of Vincent Foster Ignited a Political Firestorm

By Dan E. Moldea. 463 pages. \$24.95. Regnery.

Reviewed by Robert Sherrill

ON July 20, 1993, after finishing a cheeseburger-fries-Coke lunch at his desk, Vincent Foster told his secretary "I'll be back" and walked out of his White House office. Five hours later his body was found in Fort Marcy Park off the George Washington Parkway. There were no signs of a struggle. Apparently he had sat in that isolated spot, stuck a .38 caliber pistol in his mouth and pulled the trigger.

Dan Moldea, the author of numerous investigative books, among them "Interference" and "The Killing of Robert Kennedy," says "Foster's suicide was the most important White House death since the 1963 assassination of President Kennedy," not because Foster's job as the president's deputy counsel was that important but because he belonged in the innermost Clinton circle: He had been the president's friend since childhood, the first lady's former law and investment partner. (And was he her lover, too? There were rumors.)

That connection got the public's conspiracy juices flowing: Had Foster, knowing too much about the first family's financial dealings, killed himself because he couldn't stand the pressure? Was he murdered, perhaps because he knew too much?

Suddenly the old Arkansas financial mess known as Whitewater, which up to then had been hardly a blip on the nation's political radar screen, became big news. The "why" of Foster's death launched five years of investigations: several in Congress, two by independ-

ent counsels Robert Fiske Jr. and Kenneth Starr, and a series by the mainstream press. But the most flamboyant investigations — all aimed at proving a cover-up — were initiated by, according to Moldea, "a coalition of right-wing special-interest groups, as well as a handful of politically conservative journalists," all subsidized by Richard Scaife, heir to the Mellon banking fortune.

Moldea's "A Washington Tragedy" is a smart, chronological appraisal of all those investigations, including their FBI and police underpinnings, and Moldea promises that by following him through this morass "we will discover how a simple suicide of a troubled White House official developed — and was manipulated — into a long-running soap opera with historical significance. In other words, this is a story about how Washington works."

Although Moldea, a crime reporter of considerable repute and experience, uses his own investigations to clear up some of the troublesome questions about Foster's death, for the most part he is simply a neutral narrator, a levelheaded guide through the five years of sleuthing by others. His pages of notes at the end, by the way, are essential reading.

All the official investigations concluded that Foster killed himself. But murder theories were zealously circulated, mostly by kibitzers on the fringe like Rush Limbaugh, who, with zilch evidence, says Foster was actually killed in a "hidesaway" apartment owned by Hillary Clinton. A lab analysis that found semen on Foster's shorts kept the murder theorists revved up.

Most of the suspicions that fed the various investigations, however, were not kooky. They were triggered mainly by 1) some impressively sloppy work on the part of the U.S. Park Police, who had

jurisdiction in the case; 2) some high-handed manipulation of evidence by White House officials, and 3) some strange lapses and reversals of memory by the Foster circle. Typical of many fumbles: Not until after the Park Police had closed their case was a lab analysis done on the gun found in Foster's hand.

While Park Police were kept at bay for a full day, Clinton insiders searched Foster's papers, looking, they said, for a suicide note. One Whitewater file was transferred to Hillary's office, on her orders — which she later denied. White House Counsel Bernard Nussbaum so severely limited what the cops could look at that Philip Heymann, deputy attorney general, asked him, "Bernie... is there some terrible secret here that you are hiding?"

Suspicious about the White House's cooperation were heightened when — voila! — one of Nussbaum's assistants belatedly found at the bottom of Foster's briefcase a note that had been torn into 28 pieces. Strange — a week earlier and in front of witnesses, Nussbaum had seemed to empty that briefcase. (As with some other key evidence, the note bore no fingerprints). Bitter and defensive, the note complained of mistreatment by the FBI, the press and the Republicans regarding "Travelgate," a minor scandal now almost forgotten.

Foster's last entry in the note: "I was not meant for a job or the spotlight of public life in Washington. Here ruining people is considered sport." True, says Moldea, "but the sport does have rules, and the best players know how to use them to survive."

Robert Sherrill, the author of "Why They Call It Politics," wrote this for The Washington Post.

## BRIDGE

By Alan Truscott

PLAYERS from the United States won most of the honors in the 13th Worldwide Bridge Cootest recently. The World Bridge Federation reported that the best score in the world was achieved by Ray Bohne of Monterey, California, and James Coventry of Salinas, California.

They recorded a remarkable 77.7 percent, sitting North-South, even though they met for the first time 10 minutes before play started. Predictably with such a score, they had some generous opponents. One pair against them played in a three-one fit after a slight misunderstanding about a splinter bid.

The best East-West score was that of Gene Percy and Richard Sokol, who recorded

71.83 percent in Fort Lauderdale, Florida.

The world's best score by a women's pair was by Christina Kenny and Rosalee Capone of Brooklyn, who achieved 72.4 percent playing North-South at Snug Harbor in Staten Island. Their usual game director in Brooklyn is Al Perkins, who at 93 is believed to be one of the oldest directors in the world.

The diagramed deal from the game offered many choices for the players. If West has the chance to open one spade in third seat, North is likely to bid one no-trump. Then four hearts is the probable contract.

But at many tables South opened two hearts, in spite of the spade void and the weakness of the heart suit. Some Wests passed, discouraged by the vulnerability, and North-South played in three or four hearts. But most Wests bid

two spades, and East went to four spades over four hearts. South doubled and defeated the contract by one trick after a heart lead, but scored under average: 42 predetermined match points out of 100.

The East-Wests who chose to defend four hearts rather than bid four spades had a theoretical triumph but a practical disaster. Four hearts could be defeated, giving North-South a minus instead of a plus, but it usually was not. When Kenny was declarer, after the auction in the diagram, the lead was a disastrous spade ace. She ruffed, drew trumps and scored 10 tricks, discarding a club loser on the spade king. That was worth 82 points out of 100.

A trump lead would have been no better, for South would eventually have discarded one of dummy's club losers on her fourth diamond. An unlikely

club lead would have put the defense in control, while a diamond lead would have left the result in the balance. A finesse would give East a chance to shift to clubs, but South can prevail by taking the diamond ace and leading trumps.

NORTH  
♠ K 7 6 3  
♥ Q 10 9  
♦ A J 8  
♣ A J 6  
WEST  
♠ A Q J 8 6  
♥ J 8  
♦ 7 5 4 3  
♣ K 2  
EAST (D)  
♠ 10 9 4 2  
♥ A 5  
♦ K 6  
♣ Q 10 8 7 5  
SOUTH  
♠ K 7 8 4 3 2  
♥ Q 10 8 2  
♦ A 4 3  
♣ 4 3  
East and West were vulnerable.  
The bidding:  
East South West North  
Pass 2♥ 2♠ 4♥  
Pass Pass  
West led the spade ace.

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# Leisure

TOMORROW  
MONEY

## From Monasteries To Dracula's Castle Artistic Route Through Romania



The monastery at Sucevita, one of about a dozen still functioning Byzantine monasteries in the Carpathian Mountains of northern Romania.

By Erik Sandberg-Diment

**C**RADEA, Romania — Until recently, crossing into Romania could take half a day or more, even with oranges, cigarettes and beer dispensed to smooth the process. The change in the last year or two has been nothing short of astounding. Driving in from Hungary at the Oradea border crossing last summer was as easy as entering Canada from the United States — taking us all of six minutes to deal with smiling, visitor-oriented guards.

I exchanged money at a border branch of the Bank of Transylvania. At the time, the rate was 6,400 lei to the dollar (it is now about 8,500 lei). It was a bit startling to have the woman in the booth hand me a bank-banded one-million-lei bundle of 10,000 lei notes and then continue to count out another half million lei to add to my stack, all in exchange for \$300.

Gasoline, which now costs about 4,200 lei a liter, put my new-found millionaire status in perspective. Still, at about \$2 a gallon, it's easily the least expensive in Europe.

The first sights and smells of Romania were less reassuring, with tall belching chimneys of an aluminum smelter on one side of the road and a huge multistory chicken factory on the other, exuding its sharp odor of distressed fowl. While the city of Oradea, six miles from the border, had a number of imposing turn-of-the-century buildings in good condition, it consisted mostly of clusters of Communist-era apartment buildings — essentially concrete slabs.

My Viennese uncle and I had spontaneously set out for this weeklong tour of the green and craggy Carpathian Mountains in northern Romania, home to about a dozen still functioning Byzantine monasteries. Built during the 15th and 16th centuries, these fortified churches were painted for the enlightenment of the people in the nearby villages.

Using a folk art style overlaid with Byzantine and Gothic influences, artists employed by various princes who were defending Christianity against the marauding Turks produced interior and exterior strip paintings, resulting in the equivalent of giant cartoons in fresco.

The symbolism in these remarkable wall paintings is clear. Good citizens rising to heaven wear traditional Moldavian head scarves, those falling into hell the turbans of their archenemies, the Turks. Saints, of course, wear halos, their luster still amazingly bright thanks to some natural pigmentation known only in the original artists.

### SISTINE CHAPEL OF THE EAST

Our first stop was the monastery of Voronet. Referred to by the Romanians as the Sistine Chapel of the East, this church differs from its Italian counterpart by being painted both inside and out. The monastery lies a few miles off a main highway, E576. The villages along the way appear very much the same as they must have centuries ago, and farmers can be seen in the fields sowing the seeds by hand.

Roads in Romania are mostly two lanes and quite often have potholes that will wear out almost any shock absorber. Consequently, driving speeds are slow by most standards. A branch sticking out of the road is the warning of a large hole or, in urban areas, of a missing manhole cover. Gasoline, including lead-free, is readily available.

The church at Voronet was built at the behest of Prince Stephen the Great, between May and September of 1488 — an amazing accomplishment considering the technology of the time and the season, the most work-intensive time for the peasants in the surrounding fields. The earlier interior frescoes, with a deep, dark patina of hundreds of years of candle smoke, include one of Stephen the Great in the nave. He and his entourage are depicted offering thanks to Jesus for the divine aid that allowed the Moldavians to turn back the Turkish invaders in 1475, at the battle of Vaslui.

The exterior walls — including a representation of the Last Judgment on the west wall — were painted in 1547 with a background of vivid cerulean blue. This blue is so vibrant that art historians refer to Voronet blue the same way they do Titian red. There was only a handful of tourists visiting the monastery, and they were Romanian.

We continued what was basically a circle tour of the monasteries: a string of Renaissance pearls set in the silent splendor of mountainous fir forests. Our next stop was Sucevita, about half an hour away. Once the capital of the Bukovina region, it is now a less interesting industrial center but a convenient place to spend the night or have lunch, since the employees of the larger hotels and restaurants usually speak a few words of English, German, French or another European language. On the whole in Romania, you have to stay at a two-star hotel or better to approach international standards. There are three of these in Sucevita, starting at about \$30 a night (including breakfast — inevitably ham and eggs), as well as a growing number of small farms that offer bed-and-breakfast accommodations. The latter, which cost about \$20 to \$35 a night, allow you to stay with some very friendly families, although communication tends to be difficult.

For lunch at one of the many outdoor cafés, we started with soup. My uncle chose the chicken vegetable and I the tripe, or, as the waitress rephrased it in a surprising burst of English, "One chicken, one stomach." Cream of tripe soup served with a hot green pepper oil to the side for munching is a traditional Romanian dish of the region — and this version was very tasty.

**CONSTRUCTING A MEAL** In Romania everything on the menu is priced separately. If you order a schnitzel, for instance, and the waitress asks about potatoes or salad or vegetables, the question is not so much one of selection as what you want to pay for. Even a basket of bread — or a second hot pepper for the soup — will usually incur an extra charge of 25 or 50 cents. But a three-course lunch with stuffed cabbage, cheese pie or breaded veal cutlets still runs only about \$9 to \$15, including a bottle of \$2 or \$3 wine.

After lunch we headed north toward the Dragomirna Cloister, fortified against the Turks by impenetrable stone walls some 30 feet high. The monastery,

about seven miles out of town, is on a poorly marked road. On the whole, getting around Romania is not difficult, because road signs indicating the direction to towns are fairly numerous and accurate. (Road numbers such as E85, on the other hand, are usually marked only on maps, not on the roads themselves.) Even when, as in this case, there are no signs, as long as one can say "monastery," followed by the appropriate surname, just about any one of the friendly people of this country will point you in the right direction.

The Dragomirna monastery is later than Voronet — it was built in the early 1600's — and different from many others in that the exterior remained unpainted. It sits peacefully in a wooded valley where its bell echoes off the hills. The stonework of the bell tower is somewhat fantastic in spirit with its unique carved geometrical motifs, in stark contrast to the strong utilitarian corner towers of the fortifications, which served to keep the infidel Turk at bay.

As we stood alone in the courtyard of Dragomirna and wandered the fields outside, the silence was so palpable that our cars hummed. There was not a mechanical sound to be heard, not a car or a plane or a motor. Every note of birdsong was a discrete tone within the parenthesis of silence. For a moment I fantasized about staying forever. Then we headed back to the car.

Our tour of monasteries continued: Arbore, Putna, far up by the Ukrainian border, about two hours from Sucevita; Sucevita, and then my favorite, Moldovita, in the town of the same name. To me the most perfect of the painted and fortified churches in this region, the monastery at Moldovita, was built in 1532 to replace "an earlier structure felled," so said the English brochure, by "earth quaking," which we took to mean an earthquake. The exterior walls surrounding the church and living quarters were rebuilt in the late 1950s.

The church itself remains completely unrestored. One can only marvel at the vividness of the frescoes some 500 years after they were painted. A vibrant, mostly red and blue mural of the siege of Constantinople is particularly striking, as is a depiction of the Tree of Jesse, a theme linking the Old and New Testaments, on the southern wall. Inside the church is a mural chronicling the year, day by day, saint by saint. These serial pictures, which in one form or another decorate all the churches of the region, were used to

educate the unlettered inhabitants in the ways of the Orthodox religion.

Although seeing these glorious churches was our goal, since we were so close we headed south for the inevitable visit to Bran, home of Dracula, in Transylvania, the province adjoining Moldavia. The fastest way to make the 150-mile drive to Bran is to take E85 to Bacau and then E574 to Bran by way of Brasov. The bear-stopping way, and the one we chose, is to take the back roads via Bicaz, Gheorgheni and Miercurea-Ciuc, going through the gorge at Lacu Rosu.

Hairpin turns, overhanging cliffs and swiftly running mountain streams tumbling down the Carpathian Mountains make this one of the wildest regions of Romania. Surprisingly, given its dramatic beauty, aside from a couple of souvenir stands at a wide spot on the road, we had the gorge almost completely to ourselves. In a distance of some 15 miles we saw only two other cars, half a dozen horse-drawn carts, the animals wearing bridles adorned with the traditional large red tassels, and a bus.

Bran Castle appeared on a hilltop as we drove through a pass connecting the provinces of Walachia and Transylvania, a medieval collection of towers, spires, fortified walls and hidden passages.

**B**UILT in 1382, it guarded what was once the only road between Campulung and Brasov. All goods passing through were subject to a 3 percent tax, which probably generated less revenue than the visitors to the castle do today. Though the castle was not crowded, the couple dozen visitors we met there and in the small, reconstructed village below reminded us that we were back in the more traveled lanes.

The contents of the castle consist mostly of an eclectic collection of massive ancient furniture, weapons and hunting trophies from the 14th to the 19th century. Nothing gory. Discreet disclaimers by the tourist board to the effect that "there is no evidence whatever that Prince Vlad Tepes, or Vlad the Impaler, inhabited the castle" do nothing to discourage its notoriety as Dracula's reputed residence.

Mythically, at least, this is where he lived — and always will.

Erik Sandberg-Diment, who visits Eastern Europe frequently, wrote this for *The New York Times*.

## Gothic Escapades In South Bohemia All of Cesky Krumlov Is a Stage

By Michael Ratcliffe

**C**ESKY KRUMLOV, Czech Republic — The train south from Wilson Station in Prague last July took a leisurely two and half hours to reach Cesky Budejovice through rolling countryside and rusty, well-gardened stations scattered with poppies, cornflowers and yellow mullein spikes.

Before World War I, this was the Emperor Franz Joseph Railway between Prague and Vienna; but for most of the last 50 years Southern Bohemia was contained on three sides by the Iron Curtain, and on the way to nowhere.

Little seems to have changed since the young hero of Bohumil Hrabal's novel "Closely Watched Trains" (1965) combined sexual opportunism in the stationmaster's office with blowing up Nazi weapons convoys near the end of World War II. Housing blocks and bad manners in certain hotels aside, there are few immediate signs that a People's Republic has passed this way.

After Budejovice — the original Budweis, and still brewing — where we spent the night, the Vienna line strikes off imperially to the east. The next day my companion and I pondered 24 kilometers (15 miles) southwest to our main destination, Cesky Krumlov, at more or less jogging speed. This was always a branch line, even in 1914. Today it carries hikers and cyclists to the Sumava National Park, Lake Lipno and the Bavarian border. It also leads to a mischievous ballroom, a sleeping theater and a magical park.

One of the most seductive small towns in Europe, Krumlov lies on a deep, double S-bend of the Vltava River, as it leaves the Bohemian Forest and begins to flow north to Prague. Because the river turns three times within so small a space, there is a sequence of waterfalls to enjoy within a few minutes' walk of one another. Families paddle, raft, canoe and fish beneath the towering castle rock. Krumlov's layout is a miniature of Prague's, with the rulers high on one side of the stream and the community below them on the other.

It was the favorite townscape of the Austrian painter Egon Schiele (1890-1918), whose mother was born here. Schiele spent several summers in Krumlov before World War I. He called it the Little City and Dead City, and if the shuffled planes of roofs, laundry, black waters and patchwork gardens seem vaguely familiar as you gaze down on them from the castle, it may be because you have seen Schiele's work and are standing on a spot where he painted.

Not so much dead as feebly dozing, Krumlov deplored Schiele's superb, erotic draftsmanship and bohemian behavior while he was alive, and during the People's Republic he was not merely thought rude but foreign. Since 1989, however, amends have been made. With Czech, Austrian and American financing, a brewery by the river has been transformed into the Egon Schiele Center, a series of large, cool, dazzling white exhibition rooms, where last summer there was an exceptionally well-prepared show of Kokoschka's years in Vienna and Prague. Some original Schiele drawings are on permanent display, and there's a courtyard café, too.

**E**VENING is the best time to enjoy the summer streets and lanes of Schiele's little city. Day-trippers have returned to Prague and Krumlov once more transforms itself into a sequence of outdoor theater sets. The houses are patterned in the Italianate sgraffito style. At first, this set out to imitate the stonework of the rich on the flat walls of the less well off; but here, the language of parallelograms, tri-

angles and rhomboids is used with such exuberance and wit that no one could mistake it for the real thing.

There is no shortage of restaurants, cafés and bars, but if you have been in the Czech Republic for more than a few days you will probably first need to know the way to a dumpling-free zone. I recommend Nonna Gina's, on the same side as the castle, and the café in the main square, next to the Towro Hall — both Italian.

While the streets below are intimate and convivial, the scale on the rock is gigantic. Rising through 40 buildings, five courtyards and over a seven-level viaduct, Cesky Krumlov castle and park start with a red gate and a fat watchtower

Immersed in Prague. Page 13.

and end among dragonflies and water-lilies on an 18th-century pool. From gate to pool is a walk of a kilometer, passing back and forth through seven centuries of peace and war, aristocratic indulgence and defensive compulsion. Frescoed Renaissance facades float over the town at night; medieval walls look as if they were slapped together in some great panic against rumored invaders from the East.

Only three families have lived in Krumlov castle since the Middle Ages. Grand, smooth and wealthy public servants of the Court in Vienna, the Schwarzenbergs helped to defeat Napoleon, trained the young Franz Joseph in the business of good government and nine years ago shrewdly declined the return of the castle by the post-Communist state because it came with a repair clause. They still visit, though.

Before them came the Eggenbergs, who built the first theater, in the 1680s, and before them the Rozmberks. Easily the maddest, most intelligent and attractive of all the lords of Krumlov, the Rozmberks were so bewitched by



Renaissance magic with its promise of eternal youth and wealth that they tried to grow gold by planting coins in the garden.

Naturally, they went bust, and in 1602 sold Krumlov to the Emperor Rudolf II, whose bastard son Don Julius Caesar dismembered a mistress there and chased a young girl in a blue dress all over the castle until she leaped from a high window to a chaste death below.

**A DELICIOUS BALLROOM** The best things here are social and benign. The Schwarzenbergs rarely descended on Krumlov for more than two summer months a year, but they knew how to have a good time when they did. In 1748, they built one of the most delicious ballrooms in Europe, and 15 years later replaced the Eggenbergs' theater with a baroque playhouse so, underused that most of its sets, machinery, texts and costumes survive.

You can see the masquerade ballroom on one of two public tours around the castle, though it would be better to catch a concert there and explore in more detail. Josef Lederer's marvelously funny figures all over the ceiling and walls.

If Schiele had ever turned around, from his favorite painting spot on the castle terrace, he would have seen a plain linden-wood door in a white wall. This is the entrance to the pale amber and pastel blue-gray theater, and you pass through in the shock of having, disturbed a long silence and stepped across time. Much work has been done, but it is still too fragile for performances or tourism on any scale. It is possible, however, to book private group tours ahead.

I was taken around last summer because a foundation has been set up to complete the refurbishment and eventual re-opening, and all interest is welcome. I was not disappointed. I saw how the prompters had tempered their boredom by scribbling inside the prompt box during the show; I learned how to raise and lower the footlights, revolve lanterns behind wings, turn day into night.

A great room behind the stage will house the new theater museum, including the restored costumes and props already on show in the old riding school. As the Emcee in "Cabaret" said, even the orchestra was beautiful. They may never have got to wear the pale apricots and citrus yellows used as shorthand for the exotic East, or the lover's jacket with little mirrors sewn into lace frames, or the sorcerer's enormous sash painted with cabalistic signs, but the musicians did wear rose linen jackets embroidered with silver thread. And who knows, maybe even the dancers got fed up wearing pistachio taffeta dance pumps for what was, after all, only summer stock in Krumlov.

Michael Ratcliffe, a former theater critic and the literary editor of *The Observer* in London, wrote this for *The New York Times*.

### DINING

## A Big Letdown at a Seafood Cathedral

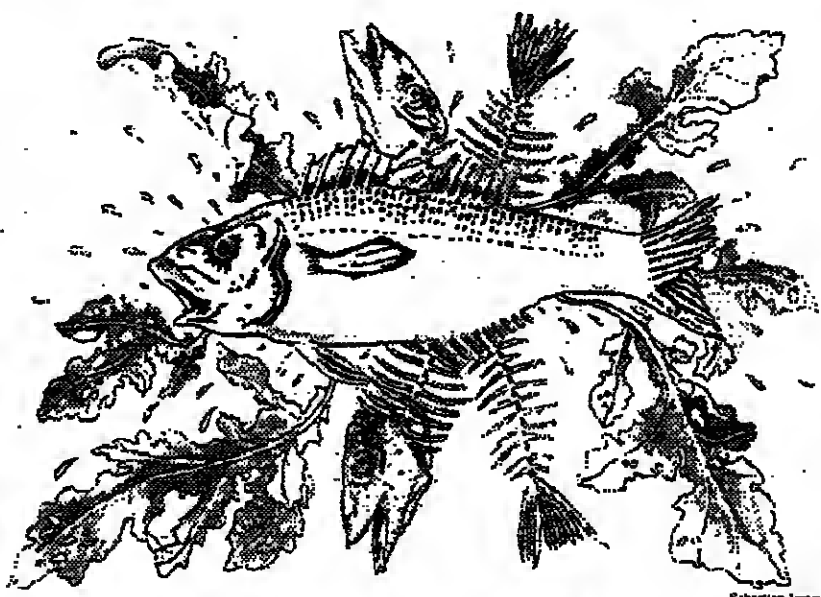
By Patricia Wells  
International Herald Tribune

**P**ARIS — Few things are more difficult to cook than fish and shellfish. They are delicate, fragile, frighteningly perishable, sometimes unpredictable and almost always expensive. Overcook a chicken or a lamb chop by a minute or more and usually no one will notice. Breach the limit on an expensive sea bass and you'll be wailing in despair.

I think one would have to be crazy to open a fish restaurant. Not only are you subject to the weather, to fishermen's whims, to skyrocketing prices, you also must be aware of the fact that you are dealing with a constantly limited resource. In France, add to the downside the nation's numerous holidays, when fishermen don't go out, as well as the threat of strikes that hinder transport.

All those reasons aside, fish and shellfish are of course among the greatest of gastronomic pleasures. So we go ahead and buy and cook them and people will always go on finding reasons to open a fish and shellfish restaurant.

Craving all of the above, I returned the other night to the grand Goumard Prunier off the Place de la Madeleine, with memories of sparkling fresh fish



that seemed to have jumped from the Atlantic onto my plate, of shellfish that carried like a fine perfume that distinct, refreshing iodine aroma of the sea, of respectful preparations designed to flatter the fish and shellfish with a minimal amount of culinary fan-dancing.

Alas! From start to finish the meal was bland, boring and dull. From the tiny slender fillets of sardines to the last

have glistened, shimmered, arriving tender but firm, each specimen suffered either from overcooking or from excessive handling.

Langoustines encased in paper-thin pastry and deep fried were flavorless and mushy when they should have sent one swooning with their richness, their scent of the sea breeze.

Encornets were encased in a batter so thick it destroyed the squid's fragility and flexibility, turning them into bands of rubber. The grilled *loup*, or sea bass, may have been perfect as it left the kitchen, but once placed on a blazing hot plate and sent upstairs the poor Mediterranean star arrived soggy, overcooked. The sole meunière suffered the same fate. Even the fine Chateau de Meursault 1992, mellow and just slightly nutty, did little to assuage my disappointment.

I guess I'd better return to the stove and depend on my own fish-cooking skills, for I won't be returning soon to Goumard Prunier.

Goumard Prunier, 9 rue Duphot, Paris 1; tel: 01-42-60-36-07; fax: 01-42-60-04-54. Closed Sunday and Monday. Credit cards: American Express, Diners Club, Visa. Lunch menu: 390 francs (about \$65), including wine and service. A la carte, 420 to 800 francs, including service but not wine.



## MOVIE GUIDE

## SIX DAYS, SEVEN NIGHTS

Directed by Ivan Reitman.

U.S.

Deciding that escapist romance for the Treadmill Generation has to be a workout in its own right, Ivan Reitman's "Six Days, Seven Nights" puts its stars through the wringer. Not even in action pictures do muscles often matter the way they do here. Marooned on a breathtaking desert island, Anne Heche and Harrison Ford share both amorous stirrings and personal training, doing enough climbing, hauling and flexing to shame anybody (i.e., you there, loafing in the audience) who is merely killing time in the dark. Among the numerous homages in a film that yearns for little distractions is the "From Here to Eternity" surf kiss with a new twist: hiking boots. Heche and Ford make an appealing, wise-cracking team, and they look comfortable with the rugged demands of their roles. She's the sophisticate, he's the rogue, and both display the survival skills that matter more in Hollywood than in a tropical paradise. Heche makes it clear that she can play anybody's love interest radiantly and underscores that people seen flitting on screen are quite possibly acting. And Ford, in his role here, reaffirms that in his mid-50s he hasn't aged out of the romantic hero racket. "You still look good," Heche admits. "I still AM good," he replies with an irresistible grin. The scenery (Kauai, Hawaii) is exotic and grand. And since there really isn't all that much to do here, Michael Brown's screenplay cooks up pirates who seem to have escaped from a theme park. Minus only parrots, peg legs and the skull-and-crossbones, they look unmistakably piratey yet manage to ambush a motorboat at sea. While it might be natural to expect sparks to fly between Quinn and Robin, "Six Days, Seven Nights" re-

mains peculiarly prim. The one sexual event that does occur here has practically nothing to do with the personalities involved, since the film does such an awkward job of linking romance to the rest of life. There's an episode in which a snake swims into Heche's shorts and Ford has to save her, and that summer-camp escapade is as erotic an event as the film can muster. (Janet Maslin, NYT)

## KANZO SENSEI

Directed by Shohei Imamura.

Japan.

"Doctor Liver" is what they call Takagi sensei, a medical man in a small Inland Sea port during World War II. Convinced that liver complaints are the major cause of death he selflessly goes about his sometimes perilous research. This includes digging up the body of the local projectionist so that he can get at the diseased organ, chasing a giant whale, perhaps after the oil, and witnessing the dropping of the atom bomb, in the enveloping cloud of which he, sure enough, detects a large, malignant liver. That's about all there is — an affectionate chronicle of small-town eccentricity and lame-brained dedication. One is reminded of Akira Kurosawa's last film, "Madadayo," also a celebration of a headstrong sensei and one just as filled with jocular sentiment. Both look back upon a world of warm eccentricity and droll consequences. They don't make films like this anymore. (Donald Richie, HTF)

## DIEU SEUL ME VOIT

Directed by Bruno Podalydes.

France.

Albert (Denis Podalydes) is a befuddled young man, beset by indecision, prodded into middle age by a balding pate, confounded by just about everything. The director, whose first film was titled "Versailles Rive-Gauche," the name of a rail station, directed and wrote the script of this comedy with his brother Denis. Subtitled "Versailles-

Chantiers," the movie starts slow and gathers speed. From one station to the next, after years of clowning and creating characters together, the Podalydes sketch a nuanced provincial coming-of-age story. Albert, a boom operator for TV, has trouble finding his direction in the city where he was born; he wakes each day wondering what shirt to wear, gives every girl he meets the same present — a tea kettle — and despite towering incompetence, gets what he wants. His friends forgive his foibles, and he is lucky in love, falling into the arms of a militant ecologist, scooped up on the motor-cycle of a dashing police supervisor, and succumbing — after much warranted hesitation — to a stunning intellectual (Jeanne Balibar), a new age Anais Nin in all her splendor and menace. The style may bear earmarks of Woody Allen and other modern treatments of belated adolescence in search of themselves, but the brothers have pulled off an original French comedy that is really funny. (Joan Dupont, HTF)

## JENSEITS DER STILLE

Directed by Caroline Link.

Germany.

In Caroline Link's film "Beyond Silence," the story of a gifted young musician and first-born child in a family where both parents are deaf becomes a powerful metaphor for the inevitable communication gap between children and parents in even the happiest of homes. The early scenes of this film (which was nominated for an Academy Award for best foreign picture) show Lara (Tatjana Triebel), the 8-year-old daughter of Martin (Howie Seago) and Kai (Emmanuelle Laborit), to be resourceful beyond any ordinary expectations. Wide-eyed and ingratiating, Lara is adept at two languages: German and sign language. Her parents not only dote on her, they depend on her to help them negotiate many everyday transactions, including telephone calls, banking and even parent-teacher conferences. Precociously sophisticated in the ways of the world, Lara is already a skillful diplomat. When translating into words the sign-language tantrums of her hot-tempered father, she tactfully softens their tone. Because of their dependence on her, Lara has an unusually strong bond with her parents. If the movie eventually turns to mush, its hard-headed performances tug against the sentimentality. (Stephen Holden, NYT)

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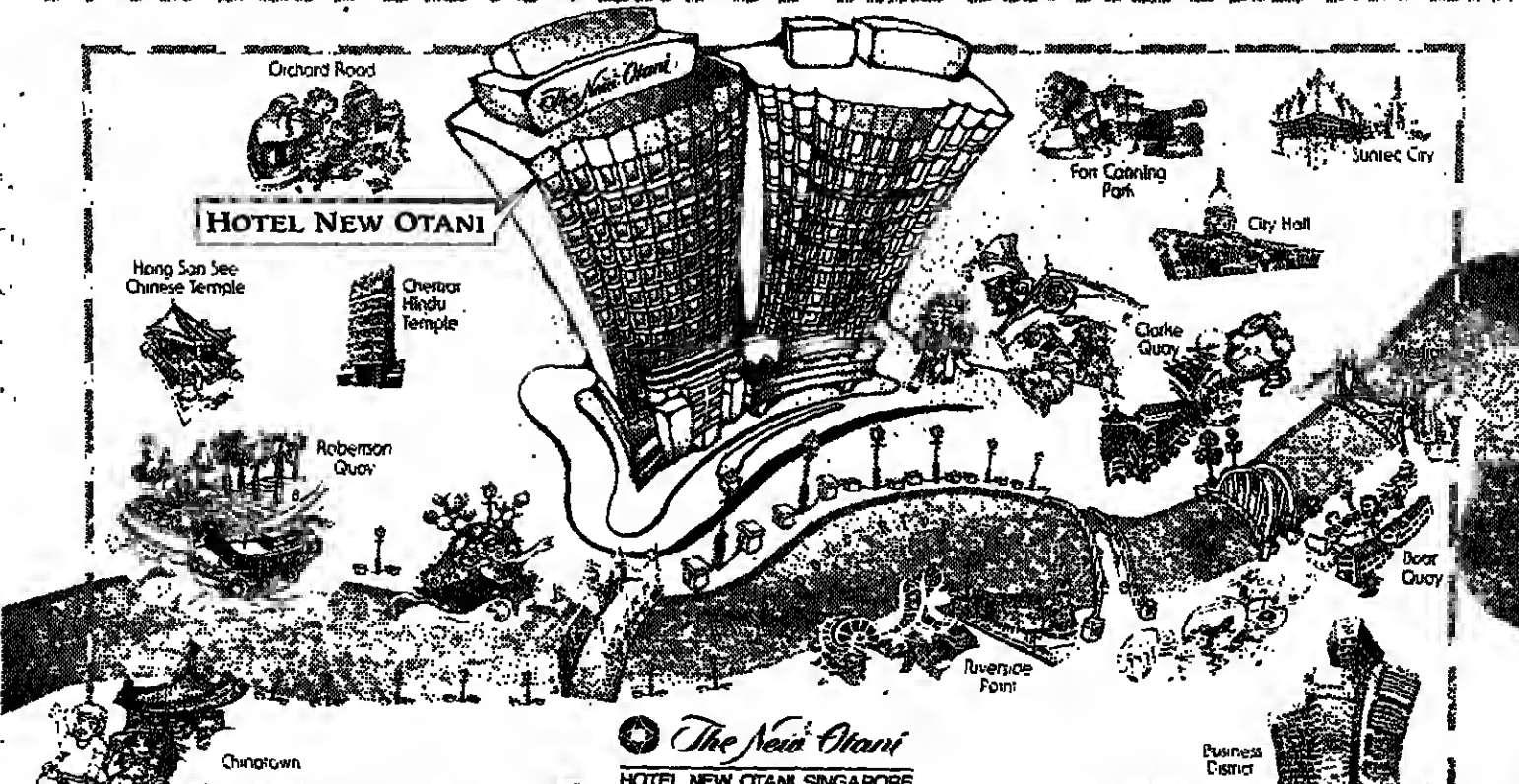
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## ARTS GUIDE

## AUSTRIA

KREMS  
Kunsthalle Krems, tel: (0) 2732-82669, closed Mondays. To Sept. 6: "Antoni Tàpies: Paintings, Sculptures and Drawings, 1981-1997." More than 70 works dating from when the Catalan artist (born 1923) started using three-dimensional motifs.

VIENNA  
20er Haus, tel: (1) 799-6900, closed Mondays. To Aug. 26: "Arte Povera From the Goetz Collection." In the mid-1960s, the Italian artists Merz, Pistoletto and Anselmo started using such materials as sand, stone and newspaper, and tried to promote a new concept for linking art and life. More than 150 installations, sculptures, photographs and drawings are displayed.

## BELGIUM

ANTWERP  
Hasseltmuseum, tel: (3) 206-0350, closed Mondays. To Oct. 11: "L'Art Non Conformiste d'Union Soviétique, 1956-1986." Following Stalin's death in 1953, nonconformist, nonofficial artists were able to exhibit their works: Surrealism, Expressionism, photorealism and conceptual art flourished, even though Socialist Realism remained the official dogma until Gorbachev's glasnost in 1986. The exhibition includes 200 works by Soviet artists.

## BRITAIN

ELFELT  
Ulster Museum, tel: (01232) 383-002, open daily. Continuing To Sept. 6: "The Influence of Italy on Dutch and Flemish Art of the 17th Century." A small exhibition documenting how Italy became a locus for artists from the Low Countries, and how Italian influences manifested itself on Dutch and Flemish art: classical ruins, picturesque peasants, poetic landscapes and lighting effects.

LONDON  
Tate Gallery, tel: (171) 887-8000, open daily. To Aug. 16: "Sophie Calle's 'The Birthday Ceremony.'" From the age of 40, Calle has held an annual birthday dinner party and displayed — and replaced — her presents every year. The installation comprises 14 cabinets, each containing the gifts of a single year, including works of art.

MANCHESTER  
Whitworth Art Gallery, tel: (161) 273-48-65, open daily. To Aug. 16: "Disasters of War." Shows the work of three artists separated by centuries but linked by the war theme: Jacques Callot (1592-1635) depicts the brutalities of the 30 Years War; Goya (1746-1828) chronicles the Napoleonic occupation of Spain; and Otto Dix (1891-1969) uses his experiences in World War I in hundreds of charcoal drawings.

## FRANCE

PARIS  
Centre Georges Pompidou, tel: 01-44-59-29-70, closed Tuesdays. Continuing To July 27: "Max Ernst: Sculptures, Maisons et Paysages." Focuses on the links between the German artist's works

and the places he lived, even briefly, in Europe and America. The exhibition brings together 100 sculptures and 15 paintings. It will travel to Düsseldorf.

## GERMANY

COLOGNE  
Wallraf-Richartz-Museum, tel: (221) 221-23-82, closed Mondays. To Aug. 30: "Die Welt als Grosse Sinfonie — Mikalojus Konstantinas Ciurlionis, 1875-1911." An exhibition of 60 paintings, pastels, manuscripts and photographs by the Lithuanian painter and composer.

## INDONESIA

JAKARTA  
Central Museum, tel: (21) 36-09-78. Founded in 1728, the museum houses an extensive collection of Indonesian artifacts, as well as Hindu-Javanese artworks, Han, Tang and Ming porcelain, and an array of Chinese, Thai and Vietnamese ceramics.

## ISRAEL

TEL AVIV  
Tel Aviv Museum of Art, tel: (3) 626-1297, open daily. To Aug. 31: "From Minimal to Conceptual Art." From the collection of Dorothy and Herbert Vogel, a selection of 74 paintings, sculptures and works on paper done in the spirit of Minimalism, Post-Minimalism and conceptual art. Artists include Vito Acconci, Carl Andre, Mel Bochner, Christo, Eva Hesse, Chuck Close, Dan Graham, Donald Judd, Sol LeWitt, Richard Long, Robert Mangold and Bruce Marden, among others.

## ITALY

FLORENCE  
Palazzo Corsini, tel: (55) 234-0742, open daily. To June 28: "Il Tempo di Nabis, 1890-1940." Paintings, book illustrations and sculptures by Bonnard, Vuillard, Maurice Denis, Vallot and Sérusier who regrouped under the name "Nabis." (In Hebrew, the prophets) and favored the use of flat color areas.

Palazzo Vecchio, tel: (55) 42-08-65-51, closed Mondays. To Aug. 2: "Paesaggi Formati Magnum." More than 120 works by the photographer of the renowned agency: Capa, Cartier-Bresson, Josef Koudelka and Eve Arnold.

ROME  
Galleria Borghese, tel: (6) 32-61-01, closed Mondays. To Sept. 20: "Bemini and the Birth of Baroque." Works by Gian Lorenzo Bernini



Max Ernst's bronze "Capricorn" at the Centre Georges Pompidou in Paris.

(1598-1690). A sculptor and an architect, Bernini attracted the patronage of Cardinal Scipione Borghese and commissions from Pope Urban VIII.

## JAPAN

KYOTO  
National Museum of Modern Art, tel: (75) 761-4111, closed Mondays. To Aug. 2: "Yasunuma Morimune: Myself as a Painting." Substitutes himself to the main subject in photographs of actresses or of famous paintings. The exhibition features 80 works.

## PHILIPPINES

MANILA  
Museum of the Filipino People, tel: (2) 527-1215, To Oct. 31: "Treasures of the San Diego." President Fidel Ramos recently inaugurated this museum, the first of a three-building complex that will form the National Museum. The inaugural exhibition documents the sinking of the San Diego in the China Sea in the 17th century and displays a selection of objects brought back to the surface: Ming white-and-blue porcelain items designed for export to Europe, Mexican silver and European glassware, on loan from the Museo Guimet in Paris.

## PORTUGAL

LISBON  
Spanish Pavilion at Expo '98. To July 26: "Las Sociedades Ibéricas y el Mar a Finales del Siglo XVI." More than 50 paintings, including portraits by Velasquez, El Greco and Zurbarán, document Spain and Portugal as maritime powers at the end of the Renaissance, and their relationship with America.

## SINGAPORE

Asian Civilisations Museum, tel: 338-00-00, closed Mondays. To Aug. 16: "Paintings by Zhejiang Artists of the Ming and Qing Dynasties." A glimpse into the art of the rarely-shown Chinese artist Chen Hongshou. His works and those of other contemporary artists attest to the creativity of classical Chinese painters in figurative works.

## NETHERLANDS

AMSTERDAM  
Stedelijk Museum, tel: (20) 5732-9111, open daily. To Aug. 23: "Kids up to 12 stay & eat free!"

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## SPAIN

BARCELONA  
Fundació Caixa de Catalunya, tel: (3) 484-5900, closed Mondays. To Aug. 30: "Paul Delvaux: Works by the Belgian painter (1897-1994). While considered a Surrealist, Delvaux created his own poetic universe of railway stations, classical architecture, symmetrical gardens, female nudes and statues.

## SWITZERLAND

LAUSANNE  
Musée Cantonal des Beaux-Arts, tel: (21) 316-34-45, closed Mondays. To Nov. 8: "La Collection du Dr. Henri-Auguste Widmer, 1853-1938." A diversified collection that brings together works from the Ecole de Barbizon, Nabis paintings, paintings of the 1920s and '30s, 20th-century sculptures and oriental and Egyptian items.

## UNITED STATES

NEW YORK  
Museum of Modern Art, tel: (212) 708-9400, closed Wednesdays. To Oct. 13: "Bonnard." Nearly 100 paintings by the French painter (1867-1947) who reconfigured pictorial space to convey emotions. His work includes landscapes, still lifes, interiors, the celebrated bathings of his enigmatic wife and self-portraits.

Whitney Museum of American Art, tel: (212) 570-3676, closed Mondays and Tuesdays. To Aug. 30: "Unknown Terrain: The Landscapes of Andrew Wyeth." Addresses the various styles, themes and techniques used by the American painter (born 1917) in creating landscapes. The exhibition brings together more than 100 watercolors, tempera and brush works.

## CLOSING SOON

June 28: "Das Auge des Sammlers: Monet bis Picasso." Bank Austria Kunsthof, Vienna.

June 28: "Rene Magritte." Musée d'Art Ancien, Brussels.

June 28: "Mena Calas: Une Femme, Une Voix, Un Mythe." Hotel de Ville, Paris.

June 28: "Matisse: La Collection du Centre Georges Pompidou." Musée des Beaux-Arts, Lyon.

June 28: "Caum Colin." Kawasaka City Museum, Kawasaki, Japan.

June 28: "Die Blaue Vier." Kunstsammlung Nordrhein-Westfalen, Düsseldorf.

June 28: "Picasso, 1917-1924." Palazzo Grassi, Venice.

June 28: "Cristobal de Villalpando: Pintor Barroco Novohispano, 1641-1712." Real Academia de Bellas Artes de San Fernando, Madrid.

June 28: "Cezanne, Picasso, Braque: Der Beginn des Kubistischen Stillebens." Kunstmuseum, Basel.

June 28: "Framing the Asian Shore: Nineteenth-Century Photographs of the Ottoman Empire." Getty Center, Los Angeles.

June 29: "L'Art au Temps des Rois: Maudis: Philippe Le Bel et Ses Fils, 1285-1328" and "Man Ray: La Photographie a l'Envers." Grand Palais, Paris.

June 29: "Francesco Salviati ou la Bella Maniera." Musée du Louvre, Paris.

June 30: "Treasures of Armenia." The Megaron, Athens.

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## LEISURE

## Immerse Yourself In Prague

### Filling Vacation With History

By Judith H. Dobrynski  
New York Times Service

**P**RAQUE — Outside the window, the sun was smiling on one of the world's most beautiful cities. It was early September in Prague, a warm and pleasant morning.

No doubt, Old Town Square was filled with tourists snapping pictures. The outdoor cafés would be crowded with people sipping coffee, waiting for the Town Hall's 15th-century Astronomical Clock to reveal, every hour on the hour, a little tableau of a skeletal Death ringing a bell as 12 medieval carved apostles emerged from two windows.

But I was sitting in a third-floor room at Charles University, listening to Peter Griffin, a Cambridge-trained historian. Griffin, whose red sports jacket and paisley tie were cloaked in the black gown of a don, paced, stopping now and again to lean forward on the lectern.

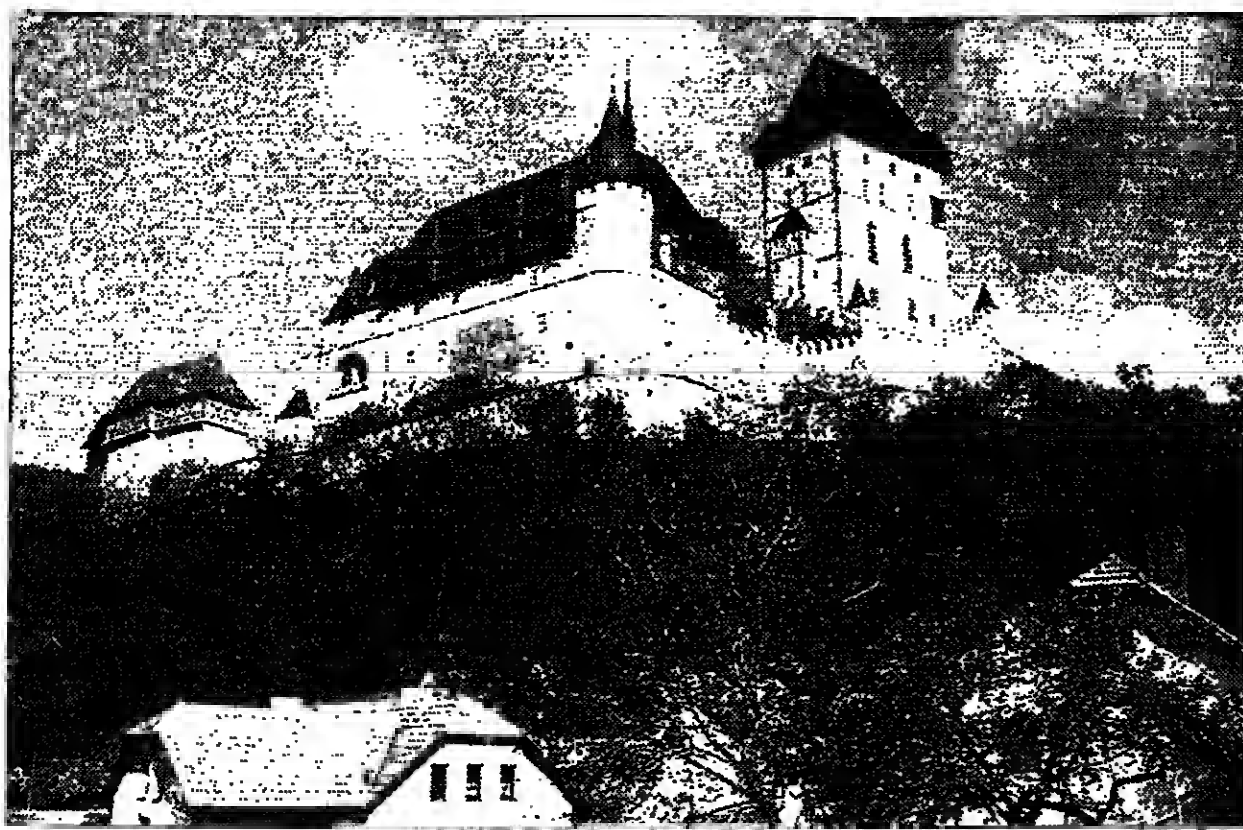
There were five separate crusades before 1431 sent to destroy the Taborites," he said.

Oddly, I had no desire to escape the classroom for the café. Before I arrived in Prague for my weeklong University Vacations tour late last summer, I had never heard of the Taborites, and didn't seem to suffer for it. And just the day before, as I jogged along the Vltava River at dawn, I had been thinking about a break from the program. The day was gorgeous and suddenly the prospect of spending even part of the afternoon on a slow-motion bus tour, as the program promised, seemed depressing.

I wanted to walk through the city, hear its sounds, smell its aromas. I wanted to see the museums of the National Gallery and the spectacular library in the Strahov Monastery and many other things that were not on the agenda. Why had I signed up for this expensive excursion in group travel?

But before the second day of classes were over, I had changed my mind.

Griffin is a compelling lecturer, with rich, if convoluted, material to plow through in a course called Prague: The Jewel of Bohemia. I realized that I could probably participate fully and still see



Karlštejn Castle was built high on a cliff in the 14th century to house the Holy Roman Empire's crown jewels.

much of what I wanted to, my way. University Vacations schedules long lunches and breaks that I filled with walks and gallery visits. The Jewel of Bohemia tour promised an examination of Prague's golden age, which ran from the 14th century (under Charles IV, who in 1348 founded Charles University, the site of the program) to the early 18th century.

On Aug. 31, I arrived in Prague before 10 A.M. and took a taxi to the hotel where the group's participants were staying: the four-star Hotel Paris, a heavily restored neo-Gothic and Art Nouveau landmark built in 1907 in Old Town.

There were only nine participants in the program (18 to 24 was normal, I was told) and six of the nine were repeat University Vacationsers.

Lectures began at 9:30 A.M. and ran until 10:30, followed by a break in Old Town Square, resuming from 11:15 to 12:30. At the end of each, we could ask questions — though we often saved them for dinner discussions. After lunch, there were walking tours or excursions (optional, like every other part of the program), followed by dinner.

#### MORNING TO NIGHT

There were some variations, but basically it was Prague in history in the morning, Prague in reality in the afternoon and Prague in discussion at dinner. The week was over in no time, long before the subject was exhausted.

Our high-ceilinged classroom, on the third floor of the Karolinum (the oldest part of Charles University), was furnished with stuffed leather chairs, a U-shaped conference table, a few 19th-century portraits and a gilded chandelier. Just after our first break, Jan Havranek, a professor of modern Czech history, arrived to lead us through the 14th-century main hall and the vaulted room, where the university stores its scepters, academic gowns and other symbols of power.

Soon we were in the archives — rare for nonscholars — treated to a look at medieval religious books and manuscripts, faculty and graduate rolls and dissertations dating from the 15th century. We also examined the 1402 document appointing Jan Hus custodian of Bethlehem chapel. From its pulpit, Hus launched a revolution that challenged the Bohemian church-state hierarchy, helped define the future Czech nation and foreshadowed by a century the Protestant Reformation.

Before Jan Hus, though, there was Charles IV and the Black Death, which in the 14th century wiped out at least two-thirds of Bohemia's population in 18 months, setting the stage for Charles IV to rejuvenate the church, sponsor German immigration into Bohemia and revamp the social structure.

For the popular Charles, the feudal system worked. But his heirs were weak. Griffin explained. People rebelled, and Bohemia bounced for hundreds of years among the Hossies (who had a more radical wing, the Taborites), the Habsburgs, homegrown rulers and kings of Poland and Sweden, with religious and political infighting galore.

Marin Luther, St. Augustine, St. Thomas Aquinas, John Wycliffe, Frederick the Wise, John Calvin and Henry VIII were among the many who made appearances in Griffin's lectures. Indeed, by the middle of the program, the drama was so laden with names and dates that it was very hard to follow.

Friday's excursion to Karlštejn Castle, about 20 miles outside Prague, was a delight. Our bus wended its way up and down through wheatfields and orchards, past little villages of houses with red-tile roofs.

Karlštejn, built high on a cliff in the 14th century to house the Holy Roman Empire's crown jewels, is on five levels. It was designed on the theory that attackers would never get to the Chapel of the Holy Cross at the top, where the jewels were.

Though Swedish troops got close in the 16th century, they didn't succeed. Today, most tourists don't have access to the gilt and jewel-encrusted murals of the chapel, either — but we were an exception. In contrast with the stripped royal staterooms and bedrooms below the chapel was a shining jewel box.

**M**ONTHS later, do I recall much Czech history? In all honesty, no. The lectures went far deeper into politics than I would have chosen, with little on art, music and culture of the age.

And yet, I remember a very pleasant time in Prague, entailing much more mind-stretching than any lazy, oh-so-common beach trip could possibly provide.

## Jamaica Gets Tough

### Crackdown on Tourist Hassling

By Edwin McDowell  
New York Times Service

**M**ONTEGO BAY, Jamaica — More than a million tourists have visited Jamaica in each of the past 10 years, and last year's visitor count soared to 1.9 million. Much of that increase can be attributed to the growing number of cruise ship passengers, including 700,000 in 1997.

But Jamaica's tourism officials fear the recent pervasive harassment of visitors, which Prime Minister Percival Patterson called the biggest problem facing the island's tourist industry, could put an end to a profitable source of income.

To forestall that possibility, Jamaica increased fines last month by a whopping 100-fold on those who harass tourists. Penalties for first-time offenders who badger tourists to buy or barter for drugs, sex and merchandise were raised to about \$2,700 from \$27, while fines for repeat offenders were raised to about \$4,100 from \$41.

Jamaica also established night courts, making it possible for law enforcement officers to appear in court without having to abandon their beats.

"It's a little too early to say how well the fines are working, but we know we have a problem and we are determined to deal with it," said Stephanie Belcher, director of Tourism Product Development Co., an arm of the government.

That observation was seconded by Karen Ford-Warner, director of the office of the prime minister for tourism, who is nevertheless pleased by early anecdotal evidence. "One cruise director told us he had already seen a remarkable transformation in the streets," she said.

The recent crackdown follows a number of promised actions that were either quickly abandoned or whose fines were negligible and thus ineffectual. Now the stakes are higher than ever.

Tourism is by far Jamaica's biggest and most important industry, accounting for 45 percent of its \$595.1 million foreign exchange, for 13.7 percent of its \$6.2 billion gross domestic product and for one in every four jobs. Those percentages are among the highest in the Caribbean, a region that in turn is among the most heavily dependent on tourism in the world.

Beyond that, Caribbean islands are increasingly competing with Florida, Mexico and other warm-weather destinations for North American tourists, who make up most of their visitors, including about 60 percent in the case of Jamaica.

To add to Jamaica's woes, Canadian and European tourists have recently discovered Cuba, whose desperation for

dollars has resulted in lower-priced vacation packages.

Both the recent crackdown and the harassment that led to it have been building for some time. After the winter season of 1996-97 four cruise lines threatened to pull out of Montego Bay because of it, and Celebrity Cruises' Mercury did leave at the end of last year, substituting the Mexican port of Calica in the Yucatan peninsula.

But Celebrity's Century still stops at Ocho Rios every two weeks, as do other ships. Carnival Cruise Line ships continue to call at Montego Bay and Ocho Rios. "We have gotten complaints about harassment," said Jennifer de la Cruz, a Carnival spokeswoman, "but not enough to negate our passengers' positive experiences by calling at Jamaica."

But even Tourism Product Development Co. reported that 56 percent of those who responded to a visitor satisfaction survey last year said they were harassed to buy drugs, followed, badgered for sex or pushed into taxis — not just at the docks, but elsewhere, especially in shopping areas. Last summer, anti-harassment teams arrested many pimps, illegal taxi drivers and touts at the airports in Montego Bay and Kingston.

#### WARNING OF COLLAPSE

That sweep followed by a month the warning from the prime minister that "people are going to refuse to come to Jamaica, resulting in a virtual collapse of the tourism industry because of harassment." He added that no matter how enjoyable the beaches, the views or the music, if visitors are constantly harassed, they simply will not return. While most Jamaicans are hospitable, he said, the "miscreants" had to be dealt with decisively, including with stiff fines.

One reason the higher fines were not levied before last month is that the problem was widely thought to be a consequence of unemployment, a result of Jamaica's declining sugar and banana industries. Unemployment is still high but the risk of driving away tourists is now regarded as worse than the risks in cracking down.

At the same time, though, the government plans to invest about \$1 million to establish craft villages in the major resort towns of Montego Bay, Ocho Rios, Negril and Port Antonio, and to provide training in tourism-related job skills.

Belcher of Tourism Product Development, for one, has no illusions that expenditures for craft villages and for teaching job skills are a complete answer. "You do have some hardened criminals who have no desire to hold jobs," she said, "but that's why we also increased the fines."

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U.S. Virgin Islands: St. Thomas







## Matchmaker Of Telecoms: The Internet

By Saul Hansell  
New York Times Service

NEW YORK — A telephone giant agrees to acquire the cable company Tele-Communications Inc. in a bold move that promises to redefine the communications landscape. Sound familiar? It should. Nearly five years ago, another big phone company, Bell Atlantic, struck a merger agreement with the same cable giant. But that deal, which soon unraveled, was based on the vague plan of morphing telephone and cable networks into an "information highway" with 500 channels of interactive television — something no one could be certain consumers even wanted.

So what is different that prompted AT&T Corp. to offer \$48 billion on Wednesday to buy TCI? The Internet. By agreeing to merge, AT&T and TCI are not so much gambling on a vague vision of the future but betting they can help satisfy the proven public demand for high-speed connections to the global Internet.

Indeed, the Internet and its multimedia World Wide Web have become that vaunted information highway — and the main vehicle for driving it is not a television set but an increasingly TV-like computer. These days, tens of millions of households are regularly surfing the Web to download text, images, sound and video clips and to chat on America Online or other Internet access services.

So important has the Internet become to so many people's lives, in fact, that the average amount of time Americans spent watching television declined for the first time last year since television's invention. And for the first time, more messages were sent via electronic mail than through the post office. "Nobody wanted 500 channels," said Eric Paulak, a telecommunications analyst for the Gartner Group. "Today, what people do want is Internet access."

Rather than chasing an elusive vision, then, AT&T and TCI are scrambling to keep pace in a race to use phone networks, cable networks and other means to provide consumers and businesses with connections to the Internet. The race involves not only other cable titans like Time Warner and ambitious phone companies like MCI and Worldcom, which are also merging, but also competitors like America Online that were

See AT&T, Page 19



STRATEGY HUDDLE — The Russian oil minister, Sergei Generalov, left, conferring with members of his delegation at the Vienna talks of OPEC, which made an effort to cut output and thereby spur prices. Page 17.

## European Court Overturns State Aid to Air France

By Barry James  
International Herald Tribune

BRUSSELS — The European Court on Wednesday threw out a 1994 decision by the European Commission that authorized the French government to pay 20 billion francs (\$3.09 billion) to bail out the state-owned airline Air France SA over a three-year period.

Competitors of Air France that had challenged the decision and taken the case to court welcomed the ruling and said they were studying its implications.

The ruling "sends a clear message to the future lies in private hands and not in the pocket of the taxpayer," said British Airways PLC, one of the seven airlines that were plaintiffs, including KLM Royal Dutch Airlines NV and Scandinavian Airlines System.

The case questioned the grounds on which the commission, the executive body of the European Union, had authorized the rescue of Air France.

Air France said it would not hand back the funds, which it used to modernize its fleet and reduce its debt burden.

The commission is responsible for regulating major cross-border mergers and government bailouts. It authorized the subsidies for Air France in exchange for significant concessions, including giving up slots at Orly airport near Paris to rival companies such as Air Liberté, a British Airways subsidiary.

During a recent strike by pilots at Air France, the management made it clear that there would be no further subsidies and said the airline would finance a 40 billion franc expansion plan out of its own resources. As part of the plan, it insisted that pilots forego up to 15 percent of their salaries in exchange for stock when 20 percent of the company is floated on the stock exchange later this year.

The court said the commission had failed to adequately examine the impact the subsidies would have on carriers outside Europe and on small airlines.

Air France said the court had attacked the form, not the substance of the ruling. The commission had two months to decide whether to resubmit its original ruling in favor of the bailout, taking into account the objections raised by the

court. Otherwise it could lodge an appeal at a higher level of the court. The commission has two months to decide its next move.

Even if the verdict proves not applicable to Air France, as the carrier claims, airline industry sources said it could create an obstacle for other carriers seeking state aid, such as Iberia Lineas Aereas de Espana SA or Olympic Airways of Greece.

The French Finance Ministry said it was unlikely the case would interfere with the partial privatization of Air France. A spokesman said the ministry would cooperate with the commission in preparing a new brief.

Air France denies that the subsidies were anti-competitive because it had to agree, not to increase capacity beyond market growth and give up assets, including the Meridien hotel chain. The

## Rapid U.S. Growth Soars Past Estimates

Rise in Inventories Paces First Quarter Gains

WASHINGTON — The U.S. economy grew much more quickly than originally expected during the first three months of this year, with businesses and consumers increasing spending at a rapid rate.

That placed the quarter among just a handful of three-month periods with such rapid growth during the past 15 years.

The gross domestic product, the total output of goods and services, rose at a revised 5.4 percent annual rate, the Commerce Department said Thursday. The first quarter's gain was the strongest since a 6 percent increase in the second quarter of 1996 and exceeded the previous estimate of a 4.8 percent gain. Before the report Thursday, analysts expected a 5.0 percent increase.

But much of the latest growth spurt came from a buildup in business inventories, which already is slowing growth in the current quarter. Also, a separate report issued Thursday from the Labor Department shows a surge in unemployment reflecting a strike against General Motors.

First-time applications for unem-

ployment benefits jumped by 34,000 last week to 364,000, the highest level in nearly a year.

Many of the new claims came in Michigan, Wisconsin, Indiana, New York and Ohio, states where GM operates.

Economic growth in the first quarter of this year initially was estimated at a very robust 4.2 percent rate. The estimate was raised to 4.8 percent a month ago before being lifted again on Thursday.

The department partly attributed the latest revision to the fact that the nation's trade deficit, hurt by Asian financial turmoil, did not deteriorate as much as first thought. Exports fell at a 1.2 percent rate instead of a 3 percent rate and imports increased at a 17.1 percent rate instead of a 17.7 percent rate.

In addition, the stockpile of unsold goods in inventory increased by a record \$105.7 billion, considerably more than first estimated. Among the factors in the revision was an increase in the stock of unsold used cars.

Without the huge addition to inventories, total economic output in the first quarter would have grown at a 3.7 percent annual rate, still a respectable but not an exceptional rate.

Meanwhile, businesses have cut orders to factories for new goods as they attempt to reduce their stock of unsold products.

As a result of the inventory overhang and worsening Asia-related trade problems, many economists believe growth in the second quarter has moderated to less than a 3 percent annual rate.

In the first quarter, growth was driven by consumer spending, up at a 6 percent annual rate, the most in six years; business investment in new equipment, up at a 26.4 percent rate, the best in more than 14 years; and housing construction, up at a 16.9 percent rate, the most in nearly two years.

The first-quarter growth was accomplished with minimal inflation. A price gauge tied to the gross domestic product advanced at a 1.2 percent rate. That's up from an initial estimate of 0.9 percent but still the best in 35 years. However, corporate inability to raise prices in the face of foreign competition is causing a profit squeeze.

(AP, Bloomberg)

## MEDIA MARKETS

### Global Consumers: Birds of a Feather

By Stuart Elliott  
New York Times Service

NEW YORK — A venerable research company is offering additional evidence that consumers around the world are more similar than different, sharing attitudes and behavior that advertisers and agencies may study to create more effective sales pitches.

The company, Roper Starch Worldwide in New York, interviewed 35,000 consumers in 35 countries to identify shared values that cross national borders. The results of the study, "Global Consumer Hot Buttons," were presented Thursday at a conference here marking the 75th anniversary of Roper Starch.

The study is indicative of concerted efforts to broaden consumer research beyond traditional considerations, be they demographic, psychographic or geographic.

"We are increasingly taking a more global view to consumer understanding, strategic planning and business management," said Larry Mock, vice president for market research worldwide at Procter & Gamble Co. in Cincinnati, who was scheduled to speak at the conference.

Examining consumers "at deeper,

more emotional levels has allowed us to accelerate the rate at which we roll out our new product initiatives worldwide," he added.

Martha Farnsworth Riche, a consultant who until January was director of the U.S. Census Bureau, said certain factors once deemed crucial to understanding

Consumers around the world share attitudes and behavior that advertisers may study to create more effective sales pitches.

consumer behavior, particularly overseas, had become less important.

"People aren't all that different," said Ms. Riche. "Their tastes are very similar. That's why it's worth Whirlpool's while to figure out what size refrigerators to make to sell in Korea."

"You've got to make sure that you don't use the taboo color, for instance," she added, "but the cultural stuff is just a wrinkle."

The purpose of the study, said Tom Miller, group senior vice president and director for international operations at

Roper Starch, was "to put into place a globally comparable system of gathering consumer intelligence and predicting consumer trends around the world." Mr. Miller offered a preview of the findings in an interview.

"We're looking for the bedrock values, the fundamental, stable things in people's lives that determine who they are," Mr. Miller said, "to understand the underlying motivations that drive their attitudes as well as their behavior."

The study, which covered countries in Asia, Europe and North and South America, found "six distinct global value groups — belief systems that define consumers long term," Mr. Miller said. Roper Starch has given the six categories catchy names that are meant to be remembered.

Here is a look at the groups, as described in the study:

• Strivers: The largest group, 23 percent of the world's adult population, holds "material things extremely important," Mr. Miller said, valuing "wealth, status, ambition and power" and products like computers and cellular telephones.

Strivers are "middle-aged, more

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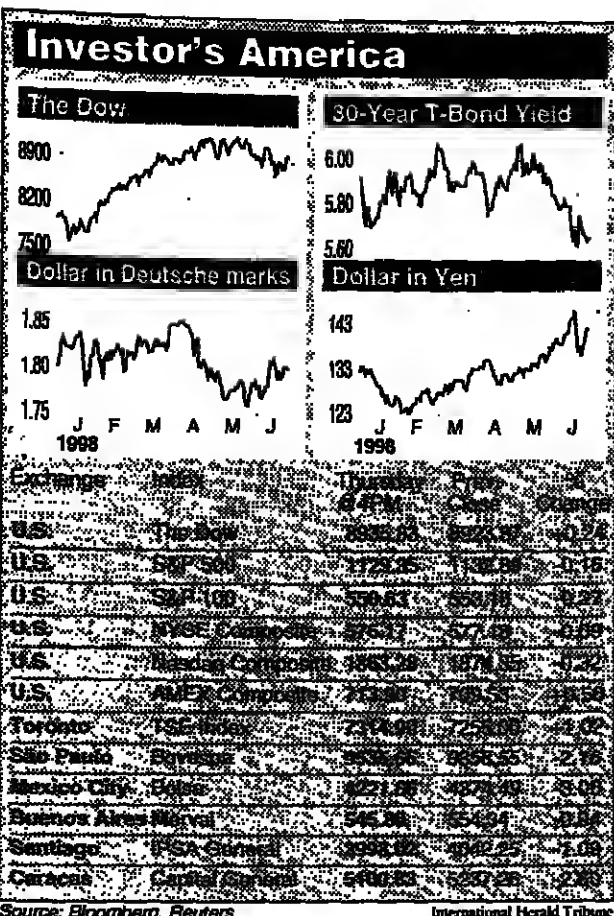
## CURRENCY & INTEREST RATES

June 25 Cross Rates									
Australian \$	1.33	1.32	1.31	1.30	1.29	1.28	1.27	1.26	1.25
British pound	1.64	1.63	1.62	1.61	1.60	1.59	1.58	1.57	1.56
Canadian \$	0.68	0.67	0.66	0.65	0.64	0.63	0.62	0.61	0.60
French franc	6.55	6.54	6.53	6.52	6.51	6.50	6.49	6.48	6.47
German mark	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.28
Italian lira	1,360	1,350	1,340	1,330	1,320	1,310	1,300	1,290	1,280
Japanese yen	107	106	105	104	103	102	101	100	99
Swiss franc	1.48	1.47	1.46	1.45	1.44	1.43	1.42	1.41	1.40
U.S. dollar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Other Dollar Values									
Argentine peso	0.0099	0.0098	0.0097	0.0096	0.0095	0.0094	0.0093	0.0092	0.0091
Australian \$	1.33	1.32	1.31	1.30	1.29	1.28	1.27	1.26	1.25
British pound	1.64	1.63	1.62	1.61	1.60	1.59	1.58	1.57	1.56
Canadian \$	0.68	0.67	0.66	0.65	0.64	0.63	0.62	0.61	0.60
French franc	6.55	6.54	6.53	6.52	6.51	6.50	6.49	6.48	6.47
German mark	1.36	1.35	1.34	1.33	1.32	1.31	1.30	1.29	1.28
Italian lira	1,360	1,350	1,340	1,330	1,320	1,310	1,300	1,290	1,280
Japanese yen	107	106	105	104	103	102	101	100	99
Swiss franc	1.48	1.47	1.46	1.45	1.44	1.43	1.42	1.41	1.40
U.S. dollar	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Forward Rates									
30-day	1.64	1.63	1.62	1.61	1.60	1.59	1.58	1.57	1.56
60-day	1.64	1.63	1.62	1.61	1.60	1.59	1.58	1.57	1.56
90-day	1.64	1.63	1.62	1.61	1.60	1.59	1.58	1.57	1.56
180-day	1.64	1.63	1.62	1.61	1.60	1.59	1.58	1.57	1.56
360-day	1.64	1.63	1.62	1.61	1.60	1.59	1.58	1.57	1.56
Libor-Libor Rates									
3-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
6-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
9-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
12-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
15-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
18-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
21-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
24-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
27-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
30-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
33-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
36-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
39-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
42-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
45-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
48-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
51-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
54-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
57-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
60-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
63-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
66-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
69-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
72-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
75-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
78-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
81-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
84-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
87-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
90-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
93-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
96-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
99-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
102-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
105-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
108-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
111-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
114-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
117-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
120-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
123-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
126-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
129-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
132-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
135-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
138-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
141-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
144-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
147-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
150-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
153-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.05
156-month T-bill	5.13	5.12	5.11	5.10	5.09	5.08	5.07	5.06	5.



## THE AMERICAS

## Tech Downturn Sours Blue-Chip Bull Run



## Very briefly:

• The Watergate Hotel in Washington, part of the exclusive and historic Watergate complex, was sold to the Blackstone Group, an investment house. Nikko Securities Inc. is expected to complete the sale of the hotel, where rooms rent for an average of \$206 a night, in the next 60 days. The terms of the transaction were not disclosed.

• 3Com Corp. shares surged as much as 21 percent after the No. 2 computer networking company reported higher fiscal fourth-quarter profit and said it would buy back as many as 10 million shares. 3Com shares have lost more than half their value in the past year amid fierce competition from No. 1 networking equipment maker Cisco Systems Inc. 3Com has cut costs and inventory and introduced new products to get back on track.

• Coca-Cola Co. said it expected second-quarter sales to rise 9 percent to 10 percent, as the world's largest beverage company benefits from surprisingly strong demand in Asia and the United States.

• Nearly 40 percent of workers in their 30s were unemployed at least once between 1991 and 1995, with high school dropouts twice as likely as college graduates to have a jobless spell, according to a U.S. Labor Department report.

• Corel Corp. announced it would cut 530 jobs from its computer division in Utah over the next two months. The struggling software company, which is based in Ottawa, said it expected to save about \$33 million annually by making the cuts. Corel lost \$231.7 million in 1997, the worst year yet for the company as it tried to go head-to-head with its No. 1 competitor, Microsoft Corp.

• Halliburton Co. said stockholders at a special meeting held in Dallas approved issuance of common stock as proposed in the company's merger plan with Dresser Industries Inc. Separately, Dresser said its shareholders also approved the proposed merger agreement.

• Banco Bilbao Vizcaya SA of Spain said it would pay "more than" \$125 million for a 7 percent stake in the Brazilian unit of Telefonica SA.

NEW YORK — U.S. stocks were mixed on Thursday as declines in Intel and Microsoft offset optimism that good news on corporate profits is at hand now that the string of warnings about second-quarter disappointments is almost over.

Investors overreacted to concerns about slowing Asian economies by pushing stocks down too far, and then became too optimistic in recent days, said Robert Froehlich, chief investment strategist at Zurich Kemper Investments Inc.

"We're getting back to sort of a middle ground," Mr. Froehlich said. "I don't think we're having any sort of strong rally supported by the fundamentals" of earnings growth and low interest rates. A true rally will come in early July, when

second-quarter earnings begin to roll in, he said.

The Dow Jones industrial average closed 11.71 points higher at 8,935.58, paring a 101.14-point

## U.S. STOCKS

gain early in the session that took the average over 9,000 for the first time since June 10.

The Standard & Poor's 500 Index fell 3.53 to 1,129.35, after breaking a two-month-old record on Wednesday.

The Nasdaq composite index fell 14.48 to 1,863.28, sliding from an early gain that had lifted it 16.95 points.

Microsoft, which rose 23 percent in the last two weeks, was down 3% at 101.9/16, led the decline on the Nasdaq. The rally ran out of steam

because "there reaches a point where people say this is too much too soon," said Larry Wachtel, a stock market analyst for Prudential Securities Inc. "We've had an enormous move in the big-cap stocks."

The Nasdaq's 22 percent gain in April dwindled to 9.3 percent on June 15, and since then the index has rebounded to a 19 percent gain for the year.

3Com led gainers, surging 4% to 32 after beating earnings estimates and announcing a stock buyback. Coca-Cola, the world's largest beverage company, rose 3/4 to 84 1/2 after it said it gave bullish estimates about sales in the second quarter.

Intel was off 1 1/4 at 75 1/2. The company did not warn of a profit shortfall, but investors said they are reluctant to bid the shares higher without assurance that the plot of

personal computers will ease in the second half.

Companies from Boeing to Minnesota Mining & Manufacturing have warned Asia's slowdown would hurt profits this quarter. Now, with most of the bad news about the second quarter out of the way and the U.S. economy humming along, investors are more optimistic.

"As earnings increase, so does stock appreciation," said Richard Fentim, manager of the Fidelity Value Fund.

AT&T fell for a second day, losing 1 5/16 to 58 11/16, after announcing a \$48 billion purchase of Tele-Communications Inc. that will hurt earnings for three years.

The benchmark 30-year bond inched up 1/32, nudging its yield down 1 basis point to 5.65 percent. (Bloomberg, AP)

## Yen Drops Amid Fears Of Inaction

Compiled by Our Staff From Dispatches

NEW YORK — The dollar rose against the yen Thursday for a fourth amid expectations that Japan would not act soon to pull its economy out of recession or effectively address its bad-debt troubles.

The Japanese government plans to announce measures to resolve the banking crisis by July 8, though many analysts are skeptical it will deliver.

"There are still big questions about Japan," said Lisa Finstrom,

## FOREIGN EXCHANGE

currency analyst at Salomon Smith Barney. "People still see a weak Japan and want to sell the yen."

In New York at 4 P.M. the dollar was quoted at 142.200 yen, after 141.225 yen Wednesday. Last week, Tokyo and Washington bought the Japanese currency when the dollar rose to 142 yen.

But in spite of rumors in the market that the Federal Reserve was again in the market Thursday, traders at several major U.S. banks said there had been no evidence of intervention.

"The market is nervous as we approach the levels where the Fed intervened last week," said Marc Chandler, senior currency strategist at Deutsche Bank Securities Inc.

The dollar will probably get a lift next week, traders say, after the Bank of Japan releases its quarterly *tankan* survey Monday. The main sentiment index of the closely watched report is expected to show that business managers are becoming more pessimistic about economic prospects.

The dollar fell against the Deutsche mark Thursday on expectations the International Monetary Fund would soon approve a loan that would ease the financial crisis in Russia, a country with strong economic and financial ties to Germany. It fell to 1.7985 DM from 1.8030 DM.

Germany is Russia's largest trading partner and creditor, so signs "the Russian situation has calmed weighs heavily on dollar-mark," said Susan Stearns, a director of foreign exchange at Bank of Montreal.

The dollar was higher at 1.5160 Swiss francs after 1.5086 francs. It fell to 6.0280 French francs from 6.0465 francs. The pound rose to \$1.6718 from \$1.6683.

(Bloomberg, Market News)

## Embattled GM May Drop Car Lines

Bloomberg News

DETROIT — General Motors Corp. said Thursday it may drop car lines and permanently close some North American plants, hinting that an escalating fight with the United Auto Workers is forcing it to decide the fate of marginal operations sooner rather than later.

Two parts-plants strikes by the UAW in Flint, Michigan, have forced the company to shut down 95 percent of its North American vehicle production and idle 146,400 hourly workers, 45 percent of its North American total. The walkouts, now in their 21st day, will cost the world's largest automaker up to \$1 billion in second-quarter profits, analysts estimate.

In a recorded message to employees, Donald Hackworth, GM's top manufacturing executive, said the company was evaluating all its products. Analysts say the message is both a threat to the union and an indication that the strike may be pushing GM to make some hard decisions that it had been putting off.

"Cutting vehicle development plans and closing less efficient plants could all be part of the package," if the strike runs through the summer, said Mike Robinet, an auto industry consultant with CSM Forecasting. GM shares fell 12.50 cents to close at \$67.6875.

A GM spokesman denied a Wall Street Journal report that the company plans to close all North American manufacturing operations during the strike except those related to the launch of the company's new

full-size pickup truck.

"That's not the case," said Gerald Holmes, the GM spokesman. He said that GM executives sent a memo to employees urging them to cut "nonessential" costs by 50 percent. The memo also said the company would shut down new equipment that would not be used when it begins its annual two-week shutdown.

In a regular update on the strike, GM said it had not closed any more plants since its last update on Wednesday. It continued to operate its Saturn plant in Spring Hill, Tennessee, a truck plant in Ontario and a small car plant in Mexico.

Cutting expenses "will help us protect product programs that we are assessing and prioritizing," said Mr.

Hackworth, a GM vice president.

Mr. Hackworth's statement on evaluating all company programs follows GM's decision, disclosed in internal documents, to consider closing its largest North American plant, in Lordstown, Ohio. The automaker already had been mulling the elimination of several vehicle models.

Meanwhile, the strike rhetoric continued to heat up, further suggesting that a settlement was not in sight. The union has provided "no constructive feedback," Mr. Hackworth said.

The union early this week threatened additional strikes once the Flint strikes are settled. On Wednesday GM said it filed a grievance alleging that the strikes are illegal.

## House to Weigh IMF Funding Plans

Bloomberg News

WASHINGTON — The U.S. House of Representatives will consider legislation to provide the International Monetary Fund up to \$18 billion, with the actual amount dependent on what reforms the IMF agrees to, the speaker, Newt Gingrich, said Thursday.

Mr. Gingrich said the House would take up the IMF funding issue after it returned from its July 4 recess. While the Senate has approved legislation giving the IMF \$18 billion, the funding request faces widespread opposition in the House.

"We want to work together to

reach bipartisan agreement on reform of and funding for the IMF," he said. "We think that it's very, very important that we have legitimate oversight and legitimate checks on exactly what the IMF is doing, where it's been successful and where it's frankly just caused more problems than it's helped."

Mr. Gingrich did not say what reforms he would seek at the agency, or what funds would be tied to reforms. "I have no number" he said.

Mr. Gingrich did say that economic problems in Asia had heightened congressional concern.

The Trib Index				
	Jan. 1, 1992 = 100	Level	Change	% change
World Index	195.25		+1.10	+0.57
Regional Indexes				
Asia/Pacific	80.31		+0.30	+0.37
Europe	235.79		+4.01	+1.73
N. America	254.88		-1.36	-0.53
S. America	124.86		-3.48	-2.71
Capital Indexes				
Industrial	248.83		-1.45	-0.58
Consumer goods	234.28		+1.16	+0.50
Energy	211.22		+0.81	+0.38
Finance	136.68		+2.22	+1.63
Miscellaneous	151.66		+2.98	+2.00
Raw Materials	206.72		+2.09	+1.02
Services	203.87		+0.26	+0.13
Utilities	170.58		+1.26	+0.74

## AMEX

## Thursday's 4 P.M. Close

The 200 most traded stocks of the day, up to the closing on Wall Street. The Associated Press.

Stock	Sales	High	Low	Open
IBM	1,000,000	120.00	119.00	119.00
Microsoft	800,000	100.00	99.00	99.00
Apple	600,000	80.00	79.00	79.00
Oracle	500,000	60.00	59.00	59.00
Sun	400,000	50.00	49.00	49.00
HP	300,000	40.00	39.00	39.00
Intel	200,000	30.00	29.00	29.00
Motorola	150,000	25.00	24.00	24.00
Cisco	100,000	20.00	19.00	19.00
Novell	80,000	18.00	17.00	17.00
Lucent	70,000	16.00	15.00	15.00
3Com	60,000	15.00	14.00	14.00
PerkinElmer	50,000	14.00	13.00	13.00
Amgen	40,000	13.00	12.00	12.00
Genentech	30,000	12.00	11.00	11.00
Novartis	20,000	11.00	10.00	10.00
Roche	15,000	10.00	9.00	9.00
Schering	10,000	9.00	8.00	8.00
Abbott	8,000	8.00	7.00	7.00
Amgen	6,000	7.00	6.00	6.00
Genentech	5,000	6.00	5.00	5.00
Novartis	4,000	5.00	4.00	4.00
Roche	3,000	4.00	3.00	3.00
Schering	2,000	3.00	2.00	2.00
Abbott	1,500	2.00	1.50	1.50
Amgen	1,000	1.50	1.00	1.00
Genentech	800	1.00	0.80	0.80
Novartis	600	0.80	0.60	0.60
Roche	500	0.60	0.50	0.50
Schering	400	0.50	0.40	0.40
Abbott	300	0.40	0.30	0.30
Amgen	200	0.30	0.20	0.20
Genentech	150	0.20	0.15	0.15
Novartis	100	0.15	0.10	0.10
Roche	80	0.10	0.08	0.08
Schering	60	0.08	0.06	0.06
Abbott	40	0.06	0.04	0.04
Amgen	30	0.04	0.03	0.03
Genentech	20	0.03	0.02	0.02
Novartis	15	0.02	0.01	0.01
Roche	10	0.01	0.00	0.00
Schering	8	0.00	0.00	0.00
Abbott	6	0.00	0.00	0.00
Amgen	4	0.00	0.00	0.00
Genentech	3	0.00	0.00	0.00
Novartis	2	0.00	0.00	0.00
Roche	1	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00
Schering	0	0.00	0.00	0.00
Abbott	0	0.00	0.00	0.00
Amgen	0	0.00	0.00	0.00
Genentech	0	0.00	0.00	0.00
Novartis	0	0.00	0.00	0.00
Roche	0	0.00	0.00	0.00



# Deutsche Telekom Enters Japan Market

## It Will Offer Cheaper International Rates

**TOKYO** — Deutsche Telekom AG, Europe's largest phone company, said Thursday it would begin selling international phone service in Japan on Wednesday, undercutting the former monopoly Kokusai Denhin Denwa Co., as it extends its reach across Asia.

Germany's dominant phone company plans to compete for business customers against KDD, which until last year controlled Japan's international long-distance market, by

selling service on leased international phone lines.

Though Deutsche Telekom said it hoped to capture eventually 10 percent of Japan's 500 billion yen (\$3.5 billion) market, analysts say the country's strategic importance — not potential sales — is the real lure for selling phone service in Japan.

"As a provider of global services, it's an absolute must for Telekom to be in all of the important industrial centers of the world, and that includes Japan," said Roland Pitz, an analyst at Bayerische Hypothek- und Wechsel-Bank AG in Munich.

"Until now, Japan for the most part has been missing."

The move comes after Japan, starting in December, allowed phone companies to provide overseas phone service by connecting domestic telephone lines with international leased lines, giving Deutsche Telekom the chance to expand its extensive reach in Asia.

With more Asian exposure than any other European phone company, Deutsche Telekom is active in Malaysia, where it holds a stake in Technology Resources Industries Bhd., and in the Philippines, where it owns 10.4 percent of Isla Communications Inc.

It also owns part of the Indonesian mobile phone network operator PT Satelindo, and its Global One phone venture with France Telecom SA and Sprint Corp. provides phone service to multinational companies across Asia.

Competing with KDD's strong brand recognition, however, will not be easy, Deutsche Telekom's Japanese unit acknowledged.

"KDD has laid a thick wall between us and customers," said Masaki Morita, sales manager at Deutsche Telekom K.K. "We will have to come up with various ways to compete."

The Deutsche Telekom unit will target corporate clients in Japan, charging 67 yen (48 U.S. cents) per minute between Japan and the United States — lower than KDD's corporate discount rate of 74 yen.

The German company will offer services to 43 countries.

Mr. Morita said Deutsche Telekom would cut its rates if necessary.

# Italy Jobless Rate Climbs to 12.5%

**Bloomberg News**

**ROME** — Italy's unemployment rate unexpectedly rose to 12.5 percent in April, its highest rate in a year, as an increase in the number of job-seekers in the poorer southern regions offset declines in the rest of the country.

The April jobless rate rose to 23.1 percent in southern Italy, while unemployment fell in the prosperous northern regions, where it stands at less than one-third of that in the south, the Italian statistics office Istat said.

Nationally, the rate rose from 12.2 percent in January and was unchanged from a year earlier.

April's rise in the number out of work is a setback for the government, which has staked its most recent policies — including a controversial reduction of the workweek — on creating jobs. The figures come as little surprise to corporate executives, who say they are balking at taking on more workers because of high taxes and labor laws they consider onerous.

The report, which came as the government reported a 0.1 percent contraction in the economy, followed a prediction by Prime Minister Romano Prodi in early June that Italy would announce "really good" jobless figures in a few weeks.

# Valeo Deal Wipes Out Car-Parts Competitors

**Bloomberg News**

**PARIS** — Valeo SA of France said Thursday it would buy a car-parts unit of ITT Industries Inc. of the United States for \$1.7 billion in cash, making the French car-parts maker No. 1 in the world in windshield wipers.

The Auburn Hills, Michigan-based unit, Electrical Systems, makes windshield wipers, ventilation systems and switches. It has 12 factories in Europe and North America with 13,300 employees and had sales of \$1.9 billion in 1997.

Carmakers, who are increasingly subcontracting for parts they used to make themselves, are forcing a reshuffling of the car-parts industry as they drive margins down with their demands for lower costs. In the United States, TRW Inc., Allied-Signal Inc., Rockwell International Corp. and Cooper Industries Inc. could also be putting businesses on the block, analysts say.

"It fits with Valeo's strategy of making a big purchase of a company with a strong U.S. presence," said Olivier Pouteau, analyst at brokerage CFR Finance. "This seems to be at the top end of price range."

Valeo said it would finance two-thirds of the purchase through the sale of new shares and the rest through debt. At the Wednesday

share price of 607 francs, that means creating 11.2 million new shares, an increase of 16 percent. Cie Generale d'Industrie et de Participations SA, which owns 20.2 percent of the company, will buy enough new shares, about 2.2 million, to maintain the level of its stake.

In April, Noel Goutard, Valeo's chairman, said the company had 5 billion francs (\$833 million) in cash at its disposal for acquisitions. He said at a press conference on Thursday that Valeo might seize another opportunity if it comes up.

Valeo shares, which were suspended Thursday morning, fell as much as 5.3 percent after they resumed trading in the afternoon before rallying to close at 618 francs, up from 607 francs Wednesday. Shares in ITT Industries rose 5.5 percent to 35 15/16 in New York.

Valeo, which makes clutches, lighting, electronics and cooling systems, said the purchase means that it will now get 28 percent of its sales from North America, up from 14 percent.

It doubles the sales of its electronic-parts division, not only making it No. 1 in the world in windshield-wiper systems, but also in electrical motors for cars. The company plans to increase sales outside Europe to 30 percent from 27 percent last year.

# Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
5750	6250	4300
5400	6000	4000
5050	5750	3700
4800	5500	3500
4500	5250	3200
4200	5000	3000
3900	4750	2750
3600	4500	2500
3300	4250	2250
3000	4000	2000
2700	3750	1750
2400	3500	1500
2100	3250	1250
1800	3000	1000
1500	2750	750
1200	2500	500
900	2250	250
600	2000	0
300	1750	0
0	1500	0
0	1250	0
0	1000	0
0	750	0
0	500	0
0	250	0
0	0	0

Source: Reuters

# Very briefly:

• Optimus SA, a Polish computer maker, and Lockheed Martin Corp. have set up a joint venture to install software and offer systems integration services, Optimus said.

• Pylon PLC shares soared — rising 179 pence (\$2.99), to 602.5 pence — in a second day of sharp gains since the British palm-top computer company announced a joint venture with three big telecommunications companies.

• Coca-Cola Erfrischungsgetraenke AG and Nordwest Getraenke GmbH, the biggest Coca-Cola bottlers in Germany, have agreed to merge, creating a company that will control 58 percent of the German market for Coke, with combined sales of 2.9 billion Deutsche marks (\$1.6 billion).

• Daimler-Benz AG said shareholders, along with those of Chrysler Corp., would vote on their companies' planned merger on Sept. 18.

• Bertelsmann AG of Germany said it and Havas SA of France were buying Doyma, the biggest medical publisher in Spain, for an undisclosed price. Bertelsmann and Havas will each own 50 percent of Doyma.

• The Bundesbank, the German central bank, held its key interest rates unchanged, as was widely expected. The discount rate and Lombard rates remained at 2.50 percent and 4.50 percent, where they have been for more than two years. And the third key rate, the securities repurchase, or repo, rate, was set at a fixed 3.30 percent for another two weeks. The repo rate has been at that level since mid-October 1997.

• Rhodia SA shares soared on their first trading day, the unprofitable French chemicals maker attracting more interest than another recent French stock offering, that of Alstom SA. The stock of Rhodia, the world's third-biggest specialty chemicals maker and a unit of Rhone-Poulenc SA, rose 30 francs (\$4.96), to 170 francs.

Reuters, Bloomberg

# WORLD STOCK MARKETS

Thursday, June 25

Daily prices in local currencies.

High Low Close Prev.

Amsterdam AEX Index: 1157.23

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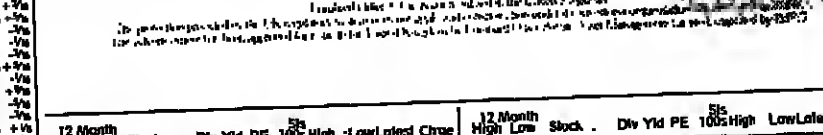


The 2,600 most traded stocks of the day.  
Nationwide prices not reflecting late trades elsewhere.  
The Associated Press

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**Continued on Page 20**

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## ASIA/PACIFIC

## Malaysia's Mr. Fixit Leaves Investors Cold

**Bloomberg News**  
KUALA LUMPUR — Investors gave a thumbs down to Prime Minister Mahathir Mohamad's move to name an adviser, Daim Zainuddin, as a new cabinet minister to fix the country's slumping economy.

The Kuala Lumpur stock market was not impressed. The key Kuala Lumpur Composite Index slumped as much as 2 percent Thursday to a one-week low of 446.3. It closed at 448.42, down 1.53 percent from Wednesday's 455.37 close.

The appointment of Mr. Daim, one of the nation's wealthiest businessmen, is viewed as a check on the economic policies of Finance Minister Anwar Ibrahim, who has often been considered the more pragmatic of the two.

David Chew, vice president of private banking at BNP International Financial Services Ltd. in Singapore, said that investors viewed the appointment as a way for Mr. Mahathir to do things that Mr. Anwar may not agree with.

**'Domestically, I have full control,' the prime minister said after appointing Mr. Daim.**

[A comment by Mr. Mahathir supported that view. The prime minister said he had secured full control over Malaysian economic policy by bringing his trusted ally back into the cabinet, Agence France-Presse reported.]

"Domestically, I have full control," Mr. Mahathir told report-

ers. "It looks like Mahathir is reining in Anwar," said Harold Crouch, a senior fellow at the Australian National University in Canberra and the author of "Government & Society in Malaysia."

Mr. Anwar has won plaudits from investors for cutting spending and pledging that banks will not be forced to bail out failing companies. He mounted a campaign to get companies to be more transparent and improve corporate governance. The finance minister has also repeatedly had to allay investors' fears

after Mr. Mahathir's combative rhetoric made many of them wary.

Mr. Daim's appointment — announced at Wednesday's cabinet meeting — surprised his colleagues, although nobody raised any concerns or objections, cabinet ministers said.

"We took it very well," said Rafidah Aziz, the minister for International Trade & Industry. "Why shouldn't we? He was in the cabinet before," Mr. Rafidah said, adding that Mr. Daim's colleagues were quick to nickname him Malaysia's "crisis minister."

Mr. Mahathir said Mr. Daim was made a cabinet minister because, without such a senior position, "he can't gain access" to foreign investors to discuss Malaysia's economic woes.

## China Firms Start Hedging Against Yuan

**Bloomberg Business News**  
HONG KONG — China's government-backed companies in Hong Kong may be getting subversive.

A string of government investment vehicles, or "red chips," are taking out loans denominated in the Chinese currency, the yuan, to hedge against a possible depreciation — even though Beijing says the yuan will not be devalued.

The moves come as the yen continues to slide, making Japanese exports cheaper on world markets and increasing pressure on the yuan — one of the last major Asian currencies pegged to the U.S. dollar.

Red chips such as Beijing Enterprises Holdings Ltd., Tianjin Development Holdings Ltd., China Everbright International Ltd. and Guangdong Brewery Holdings Ltd. are increasing yuan borrowings. On Thursday, Guangdong Investment Ltd., a Hong Kong-based investment vehicle of the government of that southern Chinese province, said it would, too.

"Having seen the Asian financial turmoil, people are naturally more careful with their currency risks," said Stanley Wong, regional treasurer for Nongheast Asia at Standard Chartered Bank.

While China has repeatedly said it will not devalue the currency, reports last week that Beijing had changed its stance prompted the U.S. Federal Reserve to act with the Bank of Japan and sell the U.S. currency to boost the yen.

That intervention lifted the yen as high as 136.15 to the U.S. dollar after it had fallen as low as 146.14. But the yen has resumed its slide, and that worries Chinese executives.



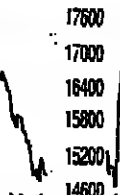
"We have confidence in the government's pledge not to devalue the yuan, but to be responsible to our shareholders it's also necessary for us to do some hedging," Hu Zhao-guang, chairman of Beijing Enterprises, which is traded in Hong Kong, said this month.

He said all of the company's current debt of 1.2 billion Hong Kong dollars (\$155 million) was denominated in yuan, but said it had been prompted to consider hedging by a \$150 million syndicated loan it was arranging with Chase Manhattan Bank, Standard Chartered Bank and Sumitomo Bank.

"Prudence" is the reason cited by Zhong Guangchao, chairman of Guangdong Investment, which invests in real estate, infrastructure, services, trading and manufacturing in Hong Kong and China.

Guangdong Investment said it would increase borrowing in the yuan through its mainland-incorporated subsidiaries and repay debt denominated in foreign currencies, primarily the U.S. dollar.

## Investor's Asia

Hong Kong Hang Seng	Singapore Straits Times	Tokyo Nikkei 225		
				
J F M A M J 1998	J F M A M J 1998	J F M A M J 1998		
Exchange	Index	Thursday Close	Prev. Close	% Change
Hong Kong	Hang Seng	8,665.83	8,296.77	+4.45
Singapore	Straits Times	1,069.83	1,074.85	-0.47
Sydney	All Ordinaries	2,592.00	2,592.80	-0.03
Tokyo	Nikkei 225	15,132.22	15,123.18	+0.06
Kuala Lumpur	Composite	448.42	455.37	-1.53
Bangkok	SET	254.89	257.74	-1.36
Seoul	Composite Index	300.57	301.72	-0.38
Taipei	Stock Market Index	7,722.64	7,670.71	+0.68
Mumbai	S&P	1,709.93	1,712.88	-0.22
Jakarta	Composite Index	788.81	430.96	-0.50
Wellington	NZSE 40	1,960.60	1,970.18	-0.52
Bombay	Sensitive Index	3,208.54	3,143.79	+2.06

Source: Reuters

International Herald Tribune

## Very briefly:

- Merrill Lynch & Co., the largest U.S. brokerage by sales, plans to open 29 branches next month in Japan and 4 others later this year, company officials said. It is the first foreign securities firm to set up a retail operation catering to Japanese individuals.
- Philippine Airlines Inc. hired 62 pilots to replace those it fired after they went on strike, part of a plan to rebuild the crippled carrier as a smaller company. Meanwhile, European consortium Airbus Industrie said it was taking back eight Airbus passenger aircraft leased by the airline.
- General Electric Capital Corp. bought 85 percent of all loans at Thailand's biggest yet liquidation sale of 56 bankrupt finance companies.
- Daimaru Inc., the Japanese department store operator, said that poor sales would force it to liquidate subsidiaries in France and Hong Kong and sell its stake in a Thai company this year. Daimaru is to suffer an extraordinary loss of 7 billion yen (\$50 million) on the liquidation of Hong Kong Daimaru Ltd. and 1 billion yen on Daimaru France SA.
- Adaptex Inc. and Hyundai Electronics America agreed to scrap Adaptex's proposed \$775 million purchase of Hyundai's Symbios Inc. unit, which makes devices that connect computers to networks, saying U.S. Federal Trade Commission approval was "unlikely."
- National Foods Ltd., an Australian dairy products and juice company, has again increased its bid for Pabst Ltd., valuing its Brisbane-based rival at 403 million Australian dollars (\$241 million).
- Ford Motor Co. may be forced to write off much of its 12-year investment in Kia Motors Corp. as the South Korean government prepares to clean up the insolvent auto manufacturer for an international sale. Kia will be put up for auction as early as the end of August, said Kang Bong Kyon, a senior presidential secretary for economic affairs.
- Moody's Investors Service, the U.S. ratings agency, cut its ratings for Japan's Mitsubishi Heavy Industries Ltd., Japan's largest heavy machinery maker, blaming the firm's expansion into more risky business. Moody's cut Mitsubishi Heavy's long-term senior unsecured debt rating from "Aa1" to upper medium grade "A1," with a negative outlook.
- Australian company directors will be forced to tell shareholders what they earn, according to new laws passed by the government. Under the new rules, directors of listed companies and the five highest-paid company officers will have to disclose their pay packages. AFP, Bloomberg, Reuters

## Japan Extortionist Threat Grows

Agence France-Presse

TOKYO — Thousands of Japanese police will be deployed across Tokyo to deter corporate extortionists Friday when nearly all the country's companies hold their annual shareholder meetings, officials said.

About 4,700 officers will stand by at the meetings looking for sokaiya, or corporate racketeers, who threaten to disrupt the usually brief sessions unless they have received their payoffs.

More than 2,300 companies hold their annual meetings Friday.

Japanese companies customarily try to wrap up their meetings rapidly since speed is often equated with financial good health. Many companies have admitted paying off corporate extortionists in order to be

able to finish their meetings smoothly and quickly.

Big names such as the country's top brokerage house, Nomura Securities Co., and a major commercial bank, Dai-ichi Kangyo Bank Ltd., have been implicated in sokaiya payoff scandals in the past year.

Payoff scandals engulfed other leading companies, including Mitsubishi Electric Corp., Hitachi Ltd., Daiwa Securities Co. and Mitsubishi Motors Corp.

Sokaiya use shareholder meetings to extort money from companies by threatening to disclose damaging information about the companies and their executives.

The few meetings already held this year lasted longer than usual as management faced falling profits in

a recession-struck Japan and anxious stockholders.

The troubled Long-Term Credit Bank of Japan Ltd., which is desperately seeking a merger partner to stave off collapse, found that its meeting Thursday lasted two and a half hours. Last year, it was over in just 36 minutes.

Most Japanese companies hold their meetings on the same day to limit disruptions by sokaiya.

A police survey last month found that of 2,200 Tokyo-based listed companies known to have paid sokaiya, 328 had ended subscriptions to gangster magazines, a form of illegal payoffs. The corporate extortionists had lost an estimated 20 billion yen (\$142 million) in income as a result, the police said.

## Asia Expert Sees 6 Years of Crisis

Agence France-Presse

MANILA — A full recovery from the Asian financial crisis could take up to six years of painful adjustments by regional economies, the dean of the Asian Development Bank Institute said here Thursday.

"I don't think there's anybody in the world who knows when this will end, but my own personal reading is that it's going to be longer than what a whole lot of people have been saying," Jesus Estanislao said.

"Many of the problems are rather deep in terms of structure so it will take some time for us to be able to work them out," said Mr. Estanislao, a former Philippine finance secretary.

He noted that the Philippines took "five to six years" after a new government took over in 1986 before recovering from the debt crisis that began in the final years of Ferdinand Marcos's 20-year rule.

An economic monitoring and surveillance mechanism within the Association of South East Asian Nations is expected to be created this year with the ADB headquarters in Manila serving as the secretariat, Mr. Estanislao said.

ASEAN includes Brunei, Indonesia, Laos, Malaysia, Burma, the Philippines, Singapore, Thailand and Vietnam.

The surveillance plan will include only the "original ASEAN five" — Indonesia, Malaysia, the Philippines, Singapore and Thailand, Mr. Estanislao said.

## INDONESIA: Accord Set With IMF on Revised Bailout

Continued from Page 1

inflation is likely to be about 80 percent this year, officials said.

Officials said the adjustments had to be made to their last revised agreement after riots in May that damaged the country's infrastructure and forced President Suharto to step down last month after 32 years in power.

"Production and exports have been disrupted, unemployment is increasing, banking activities are partially paralyzed, the distribution network is not fully functioning," Mr. Neiss said. "Food prices are rising and general confidence is low. We face a situation of emergency and in such a situation the emphasis on economic policies has to be on first things first."

The revised plan is expected to make possible a resumption of lending from the international rescue package, which has been suspended since early May. Disbursement of the next \$1 billion in funds from the IMF could only come after a meeting of the agency's board of directors, which will be held between July 8 and the middle of the month, Mr. Neiss said.

An amendment to the reform measures includes a plan for independent audits of several government companies that the Suharto family and their cronies had interests in. "Based on these audits it should be possible to redirect a substantial amount of the nation's resources back to the budget where they belong and where they are urgently needed," Mr. Neiss said.

He painted a bleak picture of the situation in Indonesia, the world's fourth most populous country, and indicated that the immediate priority of the bailout was no longer simply

getting the economy back on track, but to keep it running as well.

In doing so, officials hope to avoid more social unrest that would further weaken domestic and international confidence in the country. Subsidies are being maintained on essential goods to avoid riots over high prices.

Immediate priorities include assuring the supply of essential goods at affordable prices, preventing inflation from accelerating and keeping the banking system functioning.

A budget deficit of 8.5 percent was forecast for the 1998-99 fiscal year. The April agreement had predicted an economic contraction of 5 percent this year and estimated that inflation would be 45 percent. As a result of the further decline in the economy, the government of President B. J. Habibie said it needed more financial assist-

ance — at least \$4 billion — to assure success of the reform program.

"At this critical moment, we are seeking the further support of the international community to ensure the success of our economic program," the government said in a statement.

Additional loans have been promised by the World Bank, the Asian Development Bank and Japan.

Market analysts in Jakarta said they had expected the Indonesian currency, the rupiah, to strengthen along with the yen last week but it now appears to be in a decline independent from crises in the rest of Asia.

Officials predicted that the rupiah would stabilize around 10,000 to the U.S. dollar — compared with an estimate of 6,000 in the April agreement — by the fourth quarter of the year. On Thursday, the rupiah was at 14,950.

## ADS: Global Consumers Are More Similar Than Different

Continued from Page 15

male than female," he added, "and found disproportionately in the developed and developing nations of Asia like Japan and the Philippines." They have little time for media apart from newspapers.

• Devouts: This group, 22 percent of adults, has "more traditional values," Mr. Miller said, like "faith, duty, obedience, respect for elders," and is concentrated in Africa, Asia and the Middle East. Devouts are least involved with the media and least likely to want Western brands.

• Altruists: As the name implies, altruists, 18 percent of adults, are "very outer focused," Mr. Miller said, interested in social issues and causes. They are "generally well edu-

cated," he added, as well as older, with a median age of 44, and "more female than the norm." Altruists are often found in Latin America and Russia.

• Intimates: This group, at 15 percent of the adult population, is composed of "people," Mr. Miller said, "focusing on relationships very close to home: spouses, significant others, family, colleagues, friends."

Intimates, frequently found in Britain, Hungary, the Netherlands and the United States, "are well worth targeting" if you are selling familiar consumer brands, he added.

They are "very heavy users of media that can be shared to create a common bond with other people," Mr. Miller said, like radio, movies and television.

• Fun seekers: At 12 percent of adults and "the youngest group," Mr. Miller said, fun seekers prize values such as "pleasure, excitement, adventure and looking good." They frequent bars, clubs and restaurants and devour electronic media.

This is "the group that is more global in its lifestyle," he added, "particularly in music." He said, "It really is an MTV generation."

• Creatives: The smallest group, at 10 percent, is dedicated to "learning, knowledge and technology." Mr. Miller said, and is "a global trendsetter in owning a PC, using a PC, surfing the Web."

Creatives "are the highest consumers of media" of any group, he said, "with a big skew toward books, magazines and newspapers."

## AT&amp;T: Internet Arranges a \$48 Billion Marriage of Phone and Cable Companies

Continued from Page 15

barely visible five years ago. Indeed, even as AT&T began talking to TCI days ago, the phone company was still trying to arrange a merger with America Online, which decided to remain independent — at least for the time being.

"Just as the home computer caused a whole lot of changes over the last 10 years, there is going to be a new revolution in telecommunications," said Barry Schuler, president of creative development at America Online.

"When you are chatting with someone on AOL, you will be able to click a button and your phone will ring and you can talk to them by voice."

AT&T, primarily a long-distance telephone carrier, with 90 million customers, and TCI, still mainly a cable television company, serving 13 million homes, are already dabblers in Internet service.

AT&T's Worldnet Internet access service has attracted about 1 million customers. TCI owns about 40 percent of At Home Network, which is developing technology and information and entertainment content for high-speed Internet access over television cables.

While phone networks have the advantage of being able to route traffic virtually anywhere on the system, cable networks have a much higher carrying capacity — which on the Internet translates to higher speed.

Yet both companies know the network future lies not in today's telephone-network or cable-system technologies but in providing consumers and businesses with high-speed network access based on Internet technology — whether for data transfers, voice conversations or, eventually, even TV-quality video.

While Internet traffic can flow over phone wires or cable lines or even

wireless radio waves, the Internet itself employs a transmission format that is far more efficient and flexible than telephone or cable systems and seems destined eventually to render those conventional systems obsolete.

"There is going to be no difference between local and long distance, between voice and data, between voice mail and e-mail," said Howard Anderson of the Yankee Group, a telecommunications consulting firm.

Such a network is so flexible that everything from thermostats to refrigerators to door locks is being designed so it can be linked to the Internet and controlled remotely by the owners.

But the many billions of dollars that will be required for the communications industry to update its networks for a future all-Internet format must come from the revenues of current customers. That is why the first battles in the long war over who provides Internet access to the home will probably be

over local voice telephone service. After all, nearly every household, regardless of whether it subscribes to cable service or has a personal computer, requires phone service.

AT&T has not had a direct line into most consumers' homes since it was banished from the local telephone business by the Bell System breakup in 1984. But the company, freed to return to the local phone business by the Telecommunications Act of 1996, now hopes to offer customers a complete package that includes local, long-distance and wireless telephone service, along with cable television and Internet access, all on one monthly bill.

Mr. Anderson of the Yankee Group said the eventual winner in the market would be decided early.

"The first person to provide high-speed Internet access with voice and data wins," he said, "because if customers are satisfied, they are never going to switch."

## Milan, Corso Matteotti 5

Property of Banca Monte dei Paschi di Siena S.p.A.

Servizi Immobiliari Banche - S.I.B. S.p.A. has been given the task of promoting the sale of the building located in Corso Matteotti 5, Milan, as is and in its present legal status. The building is located in a prestigious position between Piazza San Babila and Piazza della Scala, and is part of a larger complex built according to a design by the architect Lancia in the early 1930s. The building has six above-ground floors, plus a basement level and a mezzanine floor, with an inner courtyard with vehicle access from Via Montenapoleone, 1. With the exception of the areas of the building for commercial use on the ground and mezzanine floors, and the apartment located on the third floor (occupied without contract), the building is completely vacant.

Interested parties should present fully secured purchase offers, by 12:00 noon on July 31, 1998 via registered letter with return receipt sent to Servizi Immobiliari Banche - S.I.B. S.p.A. in Milan, Via Verziere n. 13.



**Procedure for presenting offers:**  
Indicate the purchase price for the entire complex, specifying payment dates and methods.  
Indicate the offer's term of validity, which should be no less than 45 days starting from July 31, 1998.  
Provide a bank declaration that an irrevocable time deposit has been made up to the date the offer is expected to expire, in favor of Banca Monte dei Paschi di Siena S.p.A. for a sum no less than 10% of the price offered.  
Declare that the offering party is interested in buying solely on its own behalf and not on behalf of a person or company to be indicated later.

attach a declaration of consent to per-  
mit Servizi Immobiliari Banche - S.I.B. S.p.A. to process the offeror's personal data and transmit it to the Owner in compliance with Italian Privacy Law 675/96.  
Offers presented will be submitted to Banca Monte dei Paschi di Siena S.p.A., for the necessary evaluations. Acceptance will be notified by registered letter. If there are a number of offers, the Owner reserves the right to invite the offerors, via a registered letter explaining how to raise bids, to a meeting the date of which shall be therein indicated. Higher offers can be made within the framework of a competitive bidding. The premises can be examined by appointment, confirmed via fax sent to Servizi Immobiliari Banche - S.I.B. S.p.A. - Sales Management Office.

This announcement is not a public offer pursuant to Art. 1336 of the Italian Civil Code. Thus, receipt of offers involves no obligation to sell to said offerors, nor does it give them any rights for any reason, including the right to brokerage or advisory fees, even where the offer is accepted. The provisions of the Italian announcement will prevail over any other advertisement in a foreign language in foreign newspapers. This announcement and the sales process are governed by Italian law.

Full documentation about the building is also available on-line at the following Internet address:  
<http://www.sib-spa.com>

**SIB**  
Servizi Immobiliari Banche

Via Verziere, 13 - 20122 Milan  
Tel. (+39) 02-77.83.1  
Fax (+39) 02-77.83.217  
E-mail: Sales Office  
[business@sib-spa.com](mailto:business@sib-spa.com)

## Globaleyes

Global markets, global communications, global technologies...the trend seems to be to globalize pretty well everything. So how on earth do you keep on top of daily developments? Through the global eyes of the International Herald Tribune.

THE WORLD'S DAILY NEWSPAPER



**Thursday's 4 P.M.**  
1,000 most traded National Market securities  
in terms of dollar value, updated twice a year.  
*The Associated Press.*

1900	1901	1902	1903	1904	1905	1906	1907	1908	1909	1910	1911	1912	1913	1914	1915	1916	1917	1918	1919	1920	1921	1922	1923	1924	1925	1926	1927	1928	1929	1930	1931	1932	1933	1934	1935	1936	1937	1938	1939	1940	1941	1942	1943	1944	1945	1946	1947	1948	1949	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	1970	1971	1972	1973	1974	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052	2053	2054	2055	2056	2057	2058	2059	2060	2061	2062	2063	2064	2065	2066	2067	2068	2069	2070	2071	2072	2073	2074	2075	2076	2077	2078	2079	2080	2081	2082	2083	2084	2085	2086	2087	2088	2089	2090	2091	2092	2093	2094	2095	2096	2097	2098	2099	2100
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**Thursday's 4 P.M. Close**  
(Continued)

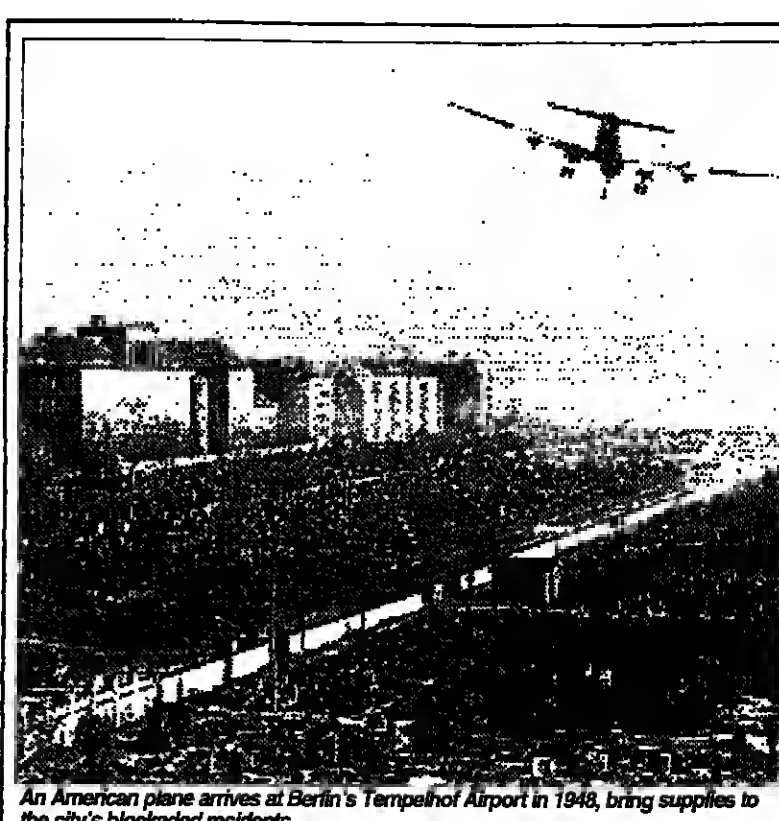
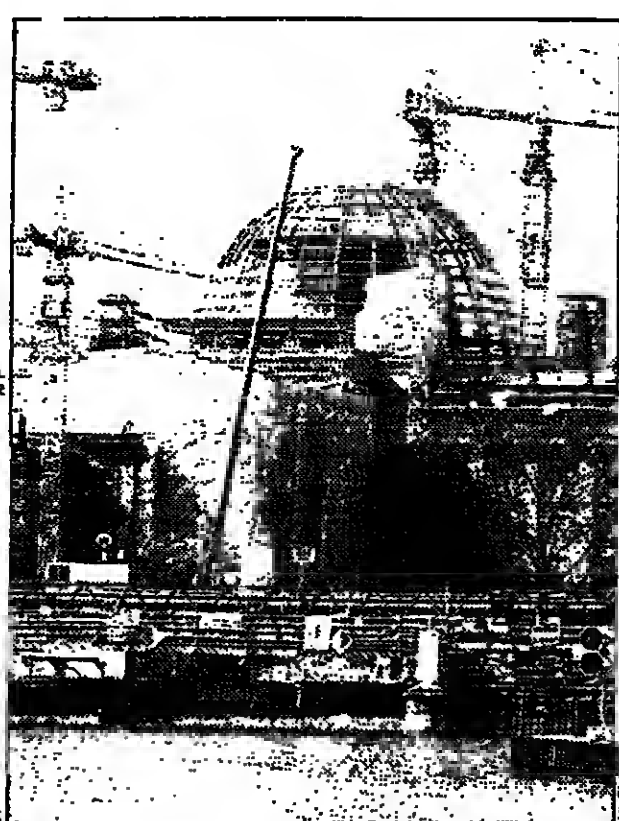
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# THE NEW BERLIN: 50 YEARS AFTER THE AIRLIFT

Fifty years ago, Berliners astounded the world with their spirit and courage in the face of a Soviet blockade of the Allied-controlled western part of the city. For 13 months, the Allies flew in fuel, food and other necessities. The airlift, an unparalleled feat of logistics, made Berlin a front-line city in the Cold War. Since the Berlin Wall fell in 1989, a new city has been emerging, as symbolized by the refurbishment of the Reichstag. Amid historical commemorations like the May 14 ceremony with Chancellor Helmut Kohl, President Bill Clinton and Colonel Gail Halvorsen, Berlin is busy assuming its entitled role: serving as the hub of the new Central Europe.



An American plane arrives at Berlin's Tempelhof Airport in 1948, bringing supplies to the city's beleaguered residents.

## AN UNPARALLELED FEAT OF LOGISTICS AND STAMINA

The seemingly impossible airlift broke the Soviets' chokehold on Berlin.

It was one of the finest hours in modern history. On June 24, 1948, the Soviet army imposed a blockade around West Berlin. Two days later, the Allied response began. For the next 13 months, this "half-city" of 2 million people was supplied entirely by air — an unparalleled feat of logistics.

By emphasizing the Allies' will to resist Soviet aggression, the airlift made the policy of containment credible and led, 41 years later, to the tearing down of the Berlin Wall. The airlift also gave Berlin a new identity as a front-line city in the Cold War. Subsequent events — including the building of the wall in 1961 — strengthened this identity.

"For us in West Berlin, the successful completion of the airlift gave rise to a strong certainty and a 'someday' hope," says Eberhard Diepgen, Berlin's mayor. "The certainty was that the Allies would stand by us, no matter what might come. The hope — and it was often a very distant one — was that, someday, Berlin would begin anew, would set out upon a new path, one having nothing to do with the Cold War and its political and economic constraints."

**The integrated city**  
Since the Wall came down in 1989, a new Berlin has been in the making. The city is preparing for the return of Germany's federal government. Over the last decade, no city in the world has revamped more of its area, political systems, transport infrastructure and daily life than Berlin. In doing so, it has pioneered new methods of development and redevelopment.

In order to overcome the difficulties resulting from the Cold War years of isolation and its aftermath, the city has to assume the role that its geographic position and the size of its population, academic and business communities have thrust upon it: serving as the hub of the new Central Europe.

Fifty years ago, the Soviets imposed a blockade on all rail and road links connecting Allied-controlled Germany and Berlin. The plan was to take the western part of the city by starving it into submission.

The plan was soundly conceived. No one had ever undertaken to supply a city of West Berlin's size — 2 million people, hundreds of thousands of cars, several battalions of Allied soldiers, dozens of hospitals and several power plants and newspapers — solely by air.

It was believed technically impossible. Nor was it thought that the Allies would be prepared to expend the vast amount of resources and labor needed to do so.

The Allies knew why they were going to "draw a line in the sand," in the words of General Lucius Clay, commander of the Allied forces in Central Europe. This was the place where the Soviets were going to be contained.

Even the Allies weren't certain if they could pull off the airlift. But they did. The first of the Skymasters and Dakotas landed in West Berlin on June 26, 1948.

Some 300,000 flights by Allied airplanes delivered nearly 2.5 million tons of fuel, food, medicines and other supplies to the western half of the city.

The airlift ended on May 12, 1949, when the Soviet Army gave up and allowed Allied convoys of food-bearing trucks to reach the city. West Berlin had been kept alive — barely. The city's residents had spent those 15 months largely in the dark — electricity was available for two hours a day — and often hungry.

The airlift changed West Berlin's image. In the world's eyes, the city went from being the capital of the defeated Nazi Germany to the easternmost outpost of the free world, the "splendid island," as Churchill called it, in which the ideals and benefits of democracy and of a Western-style free-market economy were put on display.

The avid recipients of this message were the residents of East Berlin and the rest of the German Democratic Republic. The political and economic freedoms prevailing in West Berlin attracted easterners in droves. To stop this hemorrhaging of the young and talented, the GDR's government

Continued on page 22

## THE CANDY BOMBER MAKES HIS RETURN

Pilot Gail Halvorsen's cargo delighted Berlin's kids.

Since 1948, Colonel Gail Halvorsen (retired) has been a star, at least to hundreds of thousands of Berliners who are now between the ages of 50 and 65. It took half a century, however, for him to become a media celebrity.

There were reasons for his relative anonymity. Mr. Halvorsen was one of the thousands of pilots flying the Skymasters and other airplanes keeping Berlin fed and fueled. It was arduous, dangerous work, involving landing on barely lit runways in all sorts of weather, with little time to

sleep or recuperate and little margin for error. Seventy-eight of these pilots were killed during the runs. Hundreds more were rescued from their crash-landed airplanes by the 20,000 Berliners working for the Allied authorities.

A number of the airplanes flattered during the runs, forcing the pilots to parachute into East Germany. The stories of their escapes to freedom, often with the help of local inhabitants, became a staple of the world's newspapers. In spite of the danger and work involved, Mr. Halvorsen still had time and energy enough to come up with an ingenious idea.

On one of his early runs, just before landing, he released small handmade parachutes bearing candy and chocolate over Berlin's Tempelhof district. It was an instant success. Word of the



"candy bomber" and his wonderful freight spread, and Berlin's children flocked to the airport.

After repeating his feat several times, Mr. Halvorsen gave his brainchild a name: Operation Little Vittles, a play on the airlift's unofficial name, Operation Vittles. Other pilots soon joined him in releasing candy from the sky, and a legion of volunteers in the United States started stitching together the parachutes. By the time it was over, 250,000 parachutes had been released. Photographs of the candy

spiraling into the outstretched arms of the waiting children subsequently became a staple of every account of the airlift. Mr. Halvorsen can thank those kids for his belated rise to fame. Virtually every Berliner over 50 — or so it seems — has by now been interviewed by one of Germany's newspapers or TV stations. The interviewees have used this opportunity to express their heartfelt thanks to Mr. Halvorsen and the other pilots, reviving memories of Operation Little Vittles in the process.

## THE AIRLIFT AND AFTERWARD: IMPORTANT DATES

- June 24, 1948: The Soviet Army imposes a land blockade on West Berlin. The objective: to starve the city into submission.
- June 26, 1948: General Lucius Clay, the U.S. military commander in Berlin, orders the launching of the airlift, which U.S. pilots later nickname Operation Vittles. The first of 300,000 round-the-clock flights arrives in the city.
- In all, they will bring nearly 2.5 million tons of fuel, food, paper and medicine to West Berlin and will be the main, but not sole, supply source to the city. At peak times, the United States' 330 Skymasters plus other Allied aircraft land every 30 seconds at Berlin's Tempelhof, Gatow and Tegel airports, and on the Havel River. By the time it's over, 78 people will have lost their lives while carrying out these missions. Total distance flown will come to 175 million kilometers.
- May 12, 1949: The Soviet Army lifts the blockade.
- May 24, 1949: The Federal Republic of Germany is founded.
- September 30, 1949: The last flight.
- October 7, 1949: The German Democratic Republic is created.
- August 13, 1961: The German Democratic Republic begins building the Berlin Wall.
- November 9, 1989: The Berlin Wall is breached by surging crowds from both halves of the city.
- October 3, 1990: Germany is reunified.
- 1999-2000: Germany's federal government completes the main phase of its relocation to Berlin.



Colonel Gail Halvorsen, the originator of Operation Little Vittles.

## ANNIVERSARY CELEBRATIONS AND EVENTS

- Open-air concert by Germany's Youth Orchestra The Gendarmenmarkt in East Berlin, June 26
- Opening of the Museum of the Allied Powers Clayallee 135. Tel.: (49 30) 818 199 0. June 27
- Airlift Days at Tempelhof Airport Tel.: (49 30) 69 51 27 92. June 27-28
- Berlin Festival Weeks Tel.: (49 30) 254 89 100. Sept. 2-Oct. 5
- For further details on all these events: Call the special hotline: (49 30) 2401 0

## CLEANER, GREENER DEVELOPMENT

Berlin is already proving its commitment to the concept of sustainable development.

While the world marvels at how rapidly Berlin is emerging from its welter of construction sites, many of the city's residents grumble about the lack of progress.

That's only to be expected, says Eberhard Diepgen, Berlin's mayor.

"It's much easier to perceive the progress being made when you're in Berlin every few months or so," he says. "When you go past the same construction sites every day, it's hard to notice any changes — and very easy to remark upon the dust and blocked sidewalks and other inconveniences."

"I like to compare Berlin to a house being built by a family in residence there. They know that the house will soon be completed and that it will be wonderful. But these facts tend to get obscured by the day-to-day irritations arising from living in an unfinished building."

**Cleaner air and water**  
The Berliners have other complaints, including the relatively high rate of unemployment prevailing in the city. But one aspect of city life enjoys universal praise: the city's environment. Berlin's air and water quality have improved dramatically over the past decade.



Eberhard Diepgen, Berlin's mayor, says of the current state of construction: "I like to compare Berlin to a house being built by a family in residence there."

The improvements are partly the result of East Berlin's ecological cleanup.

The east's heavily polluting industrial facilities have been shut down or equipped with scrubbers and other end-of-the-pipe pollution treatment equipment. The new industries taking their place use integrated environmental management systems to avoid producing pollution in the first place.

West Berlin's advanced sewage-treatment system has been extended throughout the city. Virtually all of the automobiles and trucks being driven in the east are equipped with catalytic converters or low-emission diesel engines like those in the west.

West Berlin hasn't been

excluded from environmental upgrading either.

A citywide network of air pollution monitoring stations has been set up over the past decade. Many of the city's buildings, in both east and west, have been equipped with active and passive solar heating systems.

Berlin's mass transit system, the recipient of a large part of the 50 billion Deutsche marks (\$28 billion) spent on the city's transport infrastructure, has been refurbished and extended.

Berlin has substantially cut its output of wastes and increased recycling efforts. As of the end of 1996, Berlin was recycling 83 percent of its paper and 94 percent of its glass.

**Reviving neighborhoods**  
The alleviation of the city's pollution-related problems, important though it is, represents only one part of the re-engineering of the city's environment, points out Peter Strieder, Berlin's senator (minister) for urban development, the environment and technology.

"The main thrust of our work is creating urban conditions that minimize the impact of the city's residents and its business community on the environment and provide the local economy

with ways to grow on a sustainable basis," he says. "The term 'sustainable' has both ecological and economic connotations, and these are intertwined."

The work includes revitalizing many of Berlin's neighborhoods: making them into places that are both attractive

Continued on page 24

Paula Modersohn-Becker  
Paintings  
May 8 - July 27, 1998



Self-portrait, 1900

Kunsthandel  
Wolfgang Werner KG  
Fasanenstraße 72  
D-10719 Berlin  
Tel 49-30-882 76 16  
Mon - Fri 10 a.m. - 1 p.m.  
3 p.m. - 6 p.m.  
Sat 10 a.m. - 1 p.m.

... art ...  
forum  
berlin  
... 1 oct  
to 4 oct  
... 1998

**BERLIN 1998**  
THE MAIN EXHIBITIONS OF THE NATIONALGALERIE

ARNOLD BÖCKLIN - GIORGIO DE CHIRICO - MAX ERNST  
A Trip Into Unknown  
20. 5. - 9. 8. 1998 Neue Nationalgalerie

LYONEL FEININGER - FROM GELMERODA TO MANHATTAN  
Retrospective of The Paintings  
3. 7. - 11. 10. 1998 Neue Nationalgalerie

FONTANE AND THE VISUAL ARTS  
4. 9. - 29. 11. 1998  
Kulturforum next to the newly opened Gemäldegalerie

SENSATION - YOUNG BRITISH ARTISTS  
FROM THE SAATCHI COLLECTION  
30. 9. 1998 - 17. 1. 1999  
Hamburger Bahnhof • Museum für Gegenwart Berlin

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# THE NEW BERLIN: 50 YEARS AFTER THE AIRLIFT

## STOCK EXCHANGE EYES A NEW NICHE IN HIGH-TECH FIRMS

Local companies are looking to launch IPOs.

The individual components of Berlin's financial sector seem to be facing very different prospects. Thanks to a further expansion of its catchment area, Berlin's banking sector should be set for strong growth, but the city's small stock exchange faces overpowering strong competition from the mighty Frankfurt Stock Exchange.

In November 1997, Frankfurt introduced its XETRA (exchange electronic trading on-line system). The system links most of the country and much of Europe in a single electronic trading floor.

Once confined to serving a market of 2 million people and several thousand companies, Berlin's banks fully exploited the opportunities arising from the fall of the Berlin Wall. They extended their networks throughout greater Berlin and beyond, greatly expanding their customer base — and balance sheet totals — in the process. Spurred by rising incomes and sales in Central and Eastern Europe, Berlin's banks are now busy forging ties throughout the region.

"I believe that the Berlin Stock Exchange has a very bright future, and that's precisely because of XETRA, plus the city's proximity to the CEE region and Berlin's large stock of young high-tech companies," says Peter Hartmann, executive vice president for international development at American Diversified Holdings.

Inc., a provider of brokerage and options-related services and mutual funds. The company set up a subsidiary, American Diversified AG Wertpapierhandelsbank, in Berlin in April 1997.

"Berlin is the easiest place to reach for anyone in Poland looking for sophisticated trading and options-related services," says Mr. Hartmann. "Rather than spelling the demise of Berlin, XETRA will provide it with a great boost. Thanks to it, traders in Berlin enjoy the same access to the same services as their counterparts in Frankfurt."

"XETRA will, however, give Berlin — long one of Germany's most innovative exchanges — a new role. Berlin will go the route already successfully taken by Vancouver and other enterprising exchanges in North America. It will become the takeoff point, the place where high-techs launch their IPOs [initial public offerings] and get their first international exposure, and where investors, via XETRA, can back these new publicly listed companies."

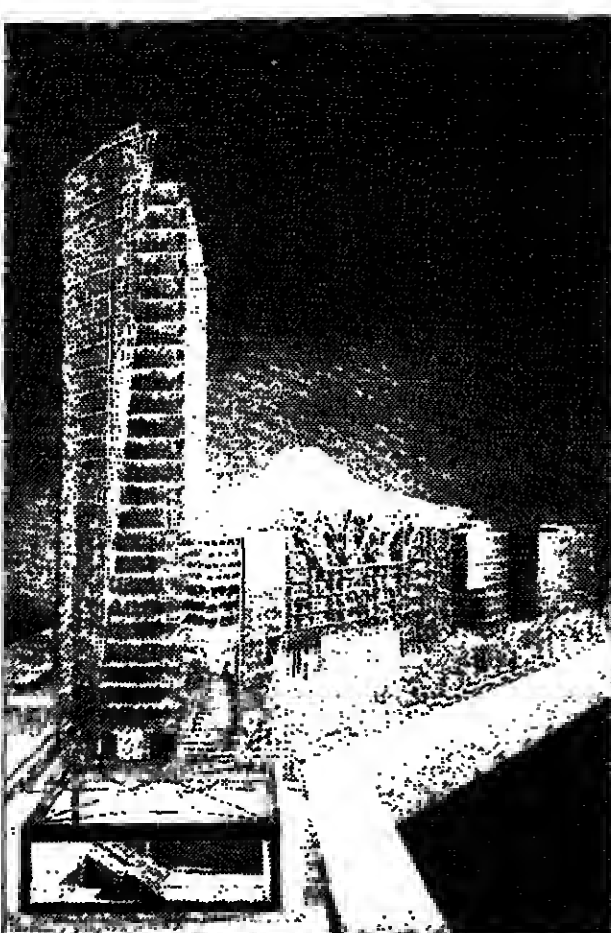
Mr. Hartmann's forecast is already becoming a reality. Seeking to profit from the German investing public's appetite for new issues, several Berlin-based companies have announced plans to launch IPOs over the next few months, following in the footsteps of recent, widely oversubscribed offerings made on Frankfurt's New Market.

Berlin would seem to have a nearly inexhaustible potential for IPOs. Some 104,000 companies, many of them high-techs, have been founded in the city since 1990. Their ranks include Pixelpark, Germany's foremost multimedia agency, and Acotec, one of the country's leaders in the computer communications connectivity sector.

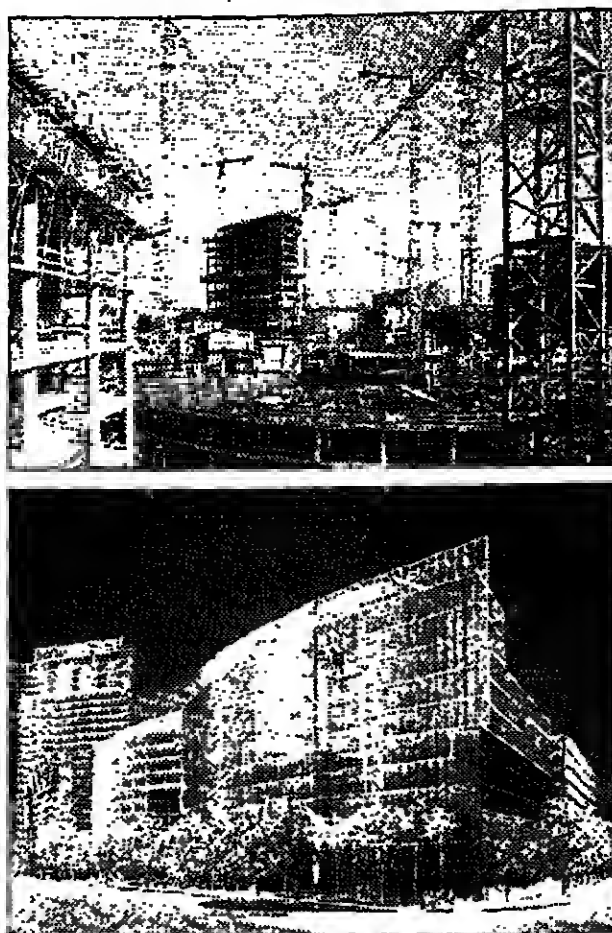
Large though it is, this stock of companies by no means represents all of the Berlin Stock Exchange's listings potential. Mr. Hartmann points out, "Our offices in the United States have received a large number of queries from North American companies about being listed on the Berlin Stock Exchange," he says. "We in Berlin have been contacted by several companies in Western Germany about the same thing. In addition to the innovativeness of the exchange, what makes Berlin so attractive is the large amount of financing power now assembled in the city."

American Diversified Holdings will manage the launching of four IPOs in Berlin over the next few months. Two of the companies going public are from the United States. The other two are based in northwestern Germany.

American Diversified Holdings will be involved in at least one other IPO in the near future: its own. The ongoing expansion of its Berlin-based business has created a need for more capital backing. "What better place for us to go public than in Berlin?" says Mr. Hartmann.



The new Sony Center on Potsdamer Platz, now under construction, will feature striking facades of steel-framed glass.



## A CITY CENTER DESIGNED FOR PEOPLE

A new complex on Potsdamer Platz is creating a whole neighborhood from scratch.

Construction work is rapidly coming to an end at most of the 150 major and thousands of smaller sites clustered in Berlin's center. When completed, the work will leave Berlin with the newest downtown in Europe. Virtually every structure in the city center, which extends over nine square kilometers (3.5 square miles), has either been newly built or revamped.

The city center is new in another sense — it offers a trailblazing vision of the future of Europe's cities. This vision has nothing to do with the one imparted by London's Docklands and the other "new cities" preceding Berlin. Each of these megadevelopments has featured ever-taller buildings and ever-greater expanses of development. They are monuments to the awesome ambitions of their planners. The projects share a common purpose: to serve as venues for monumental-sized human strivings.

Space for living Berlin represents a break with this tradition of monumentalism. Each of the flagship developments grouped in Berlin's Mitte, Tiergarten and Schöneberg districts is large and high-rise. But inspiring awe is the last thing these developments have been designed to do. Rather, their appeal comes from their often innovative architecture, which features an imaginative use of space and human-scale design.

An example is the Sony Center am Potsdamer Platz, due for completion in 2000. The 1.5 billion Deutsche mark (\$835 million) complex offers 132,500 square meters (1.42 million square feet) of floor space. Unlike many other developments elsewhere, but typical of Berlin, this complex does not feature a single dominating structure. Located on its site are seven individual buildings, the tallest of which is the office tower, 103 meters and 26 stories high. The complex is owned by Sony and its international partners Tishman Speyer and Kajima.

Located on the triangular site's external periphery, the high-rises flank a central agglomeration of buildings. These include the House of Film, the Urban Entertainment Center and apartment buildings. The core of the central area is occupied by the Forum, with shops and restaurants. Also to be found on the site are nearly a thousand parking spaces and direct links to mass transit.

"Our center assembles all of the elements of a downtown neighborhood," says Edgar van Ommen, managing director of Sony Berlin GmbH. "When completed, it will be a place of business and work, a place to live, a place in which to stroll around during the day and a place in which to go out in the evening. The Sony Center isn't, however, designed to be a self-contained, self-sufficient enclave. Thanks to the Forum and all of the cinemas and other media-related venues in the center, it will be a place attracting everybody from midday shoppers and lunchers to evening moviegoers."

"This array of activities within a single spatial unit is typical of the new Berlin," says Volker Hassemer, now chief executive of Berlin Partner, the alliance of major local companies formed to promote the city's business development. "It represents what we had envisioned when formulating the city's policies and laying down the course of development of Berlin's inner city."

Mr. Hassemer was senior minister of urban development and environmental protection during the new Berlin's formative years.

"Our goal during the planning process was to make sure that Berlin's downtown didn't become an array of monumental, dominant-use complexes," Mr. Hassemer

says. "Such complexes are lifeless. Our objective was to foster the creation of a set of multi-use 'polycultures' complexes whose 'downtown' liveliness would draw people into the center city, ensuring its survival in an era in which suburban malls are getting the upper hand."

Says Edgar van Ommen, managing director of Berlin Sony GmbH: "I believe that the existence of this 'urban brio' is nearly as important to today's buyers and tenants as a top location, high-quality amenities, an attractive look and stability of ownership. Today's companies are staffed by a relatively few, very highly qualified people, for whom the surroundings in which they work have become nearly as important as the amount of remuneration and responsibility coming with their job."

Notes Jürgen Bruns-Berentelg, deputy managing director of Tishman Speyer Properties Deutschland GmbH, the German subsidiary of the New York-based Tishman Speyer, the coinvestor responsible for the complex's development, leasing and management: "The overwhelming use of glass in the center, creating a light-infused work environment, produces a fantastic office lifestyle."

This penchant for "transparent structures" is the leitmotif of Helmut Jahn, the world-famous German-American architect whose firm, the Chicago-based MurphyJahn, in 1992 won an international competition to design the complex.

Location, location Selling the Sony Center would seem to be one of the easiest jobs in Berlin's otherwise difficult real estate market. Some 42 percent of the center's area was taken up even before the first brochures were printed, thanks to Sony's having decided to locate its European headquarters in it. The German Film and Television Academy and the German Mediatheque will also be housed there.

"There are lots of tougher jobs in Berlin, and that's especially because of the concept, the architecture, the prime tenant and last but not least the centrality of the location," says Mr. Bruns-Berentelg. "How attractive it is becomes truly apparent when you're actually here, standing on Potsdamer Platz."

The cityscape seen from our center is for me the quintessence of the New Berlin," says Anthony Monnarino, senior director of Tishman Speyer Properties. "A 360-degree pan from our tower takes in the Philharmonic Hall, the museums and the other institutes forming the rest of the Kulturforum, the Brandenburg Gate, the Tiergarten park and the government buildings grouped around it. Also seen are the embassies and new shopping arcades."

Mr. Van Ommen concludes: "As the Reichstag and Brandenburg Gate show, much of the import of the New Berlin derives from the past. This tie between the old and new is also shown by our location. The reason we decided to build our complex on Potsdamer Platz was because of its proximity to Berlin's centers of political and economic power — and because of its past."

Before being destroyed in World War II, Potsdamer Platz was, along with Pariser Platz to the north, the major hub of commercial and social life in Berlin. Grouped around Potsdamer Platz were a number of the city's leading department stores, office buildings and hotels, including the world-famous Esplanade. Parts of this former hotel — including its neo-baroque Kaisersaal (Chamber of the Emperor) and three other splendid halls — were the only elements to survive World War II.

In March 1996, one of the remnants was given a new location and a new raison d'être. The Kaisersaal, weighing 1,300 tons, was placed on air cushions and shifted 75 meters to the center's site. Restored to their past glories, the Kaisersaal and the other halls are now an integral part of the center and will be used for dining and public events.

## MIGRATION NORTH TO NEW ESTATES

North Berlin is drawing people and industry.

About 30,000 Berliners will move from the city's central areas into new housing developments springing up in neighboring Brandenburg this year, just as many have been doing over the past few years. A good number of the city's companies have also relocated operations to new "greenfield" sites outside the city center.

Branching out Eberhard Diepgen, Berlin's mayor, says the moves reflect "an entirely natural trend, one that every major city in the industrialized world has been going through over the past few decades, and one now taking place in Berlin because of the wall. It is a trend that we neither can nor will hinder, especially as we ourselves still have many extra-urban sites available within our city limits."

Many of the remaining sites are in Berlin's northern and eastern reaches, in the Pankow and Weissensee districts. Their availability is a by-product of the "go south and west" orientation of investors, who have tended to

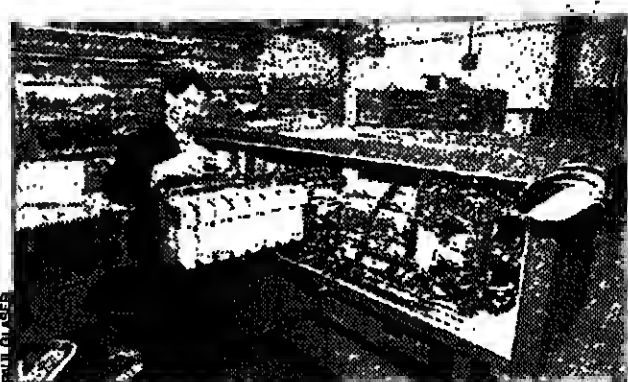
(21,600 square feet). The lots are zoned for all kinds of manufacturing and related services, and can be configured to meet investors' individual needs.

Says Rolf Schmidt, BLEG's head of marketing and distribution: "We see the flexibility of size and land use as being the estate's two greatest operating advantages — also that companies can work on a three-shift, round-the-clock basis there, and that the estate is so close to Berlin's downtown, only 12 kilometers or 20 minutes by autobahn."

Greater Berlin is full of similar developments. The amount of competition alone would make it difficult to sell the northern Pankow estate. Further complicating matters, or so it would seem, is the estate's size. It is the largest of its kind in greater Berlin.

"Actually, we see the size as the greatest advantage of all," says Mr. Schmidt. "It's simply very hard to find parcels that large in greater Berlin, and it's going to get harder."

BLEG's store of experi-



New developments away from the center offer room to move.

locate their new factories and office complexes in southern and western Greater Berlin.

Says Dietrich G. Kraus, managing director of BLEG (Berlin Development Company): "Berlin's north side has everything the southern metropolitan area has, including immediate access to airports and autobahns leading to such important markets as Hamburg and Poland, plus a few advantages all its own. Because demand has been low, property prices are lower in the north, and the labor market has a great quantity of highly skilled people to offer."

Mr. Kraus adds: "At BLEG, it's our job, acting on commissions given to us by the Berlin government, to activate these assets and to bring them to the attention of the world's investors." The public-sector company has come up with a suitable vehicle: the northern Pankow industrial estate. Some 711 hectares (173 acres) in size, the estate offers lots starting at 2,000 square meters

in getting redevelopment projects off the ground is another asset. It has already set up technology, skilled-trade and logistics centers on redeveloped "brownfield" sites in Charlottenburg-Köpenick and other districts in Berlin. BLEG has also successfully renovated and marketed several local palaces and mansions.

The Teufelsberg project shows the breadth of BLEG's range of activity. The Teufelsberg was one of the best-known sights in Cold War West Berlin — a man-made promontory located in Berlin's lovely Grunewald park. The Teufelsberg's slopes were popular with kite-fliers in summer and skiers in winter. Perched on its summit was an off-limits Allied radar station.

Today, in accordance with the interim land-use plan worked out by BLEG, Germany's air control service has taken over the radar station. The "mountain" will eventually have a hotel, restaurants and apartments.

## A LOGISTICAL FEAT

Continued from page 21

began building the Berlin Wall on Aug. 13, 1961. The wall bottled up but did not kill the urge to go west and be free; as the events of Nov. 9, 1989 showed. In one surge, the residents of East Berlin shrugged off five decades of relentless indoctrination and turned the 23 kilometers (138 miles) of reinforced concrete into the world's favorite souvenir of the Cold War.

With the fall of European communism and the reunification of Berlin and Germany, the Cold War became a part of Berlin's history rather than part of its identity. Mr. Diepgen's hope for a new path for Berlin could be realized.

The Bundestag, Germany's parliament, decided on June 20, 1991 in a narrow vote to retransfer the bulk of the federal government from Bonn to Berlin, always the country's official capital. Work on creating this new Berlin has been proceeding at a feverish pace since then, in spite of the city's financial straits and listless economic performance.

The renewal continues

On May 23, 1999, the Bundestag will take up permanent residence in Berlin, a city of newly completed office and residential complexes, extended and upgraded transport and telecommunications grids, and business sectors populated by newly founded companies.

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## THE NEW BERLIN: 50 YEARS AFTER THE AIRLIFT

### AND TO TOP IT OFF, A NEW AIRPORT

The three current airports will be succeeded by one central hub near today's Schönefeld.

Berlin's "great handover" will take place in 2007. In that year, Berlin's current three airports will cease operation and the city's Berlin Brandenburg International will open after five years of construction and between 5 billion and 8 billion Deutsche marks (\$2.8 million-\$4.5 million) in expenditures. BBI's terminals will be located immediately adjacent to those of today's Schönefeld airport, whose improved runways BBI will inherit. Both sites are situated in Berlin's southeast, 22 kilometers (14 miles) from downtown.

BBI is expected to handle 17.4 million passengers during its first year of operations. Not coincidentally, that's about the maximum capacity of Tegel, Schönefeld and Tempelhof airports, which handled 11.6 million passengers in 1997 —

first one to be located in Central Europe proper. Like its predecessors, the new airport will have feeder and connecting routes extending throughout northern Germany, Scandinavia and Central and Eastern Europe.

Large and important though it is, the changeover is only one of several major developments in Berlin's airport scene. Berlin-Brandenburg Flughafen Holding GmbH, the owner and operator of the city's airports, is being privatized. Two international consortia are bidding for a 74.9 percent stake in the company, which is currently owned by the German federal government plus those of Berlin and Brandenburg. A decision is expected by autumn.

In May 1998, the city's AirportExpress was launched. Running on Berlin's new high-speed rail artery, the express takes less than 30 minutes to get from the city's downtown to today's Schönefeld. This move is the first of several to give the new airport high-access transport links. A new station will be built on the BBI site to accommodate the Express and Germany's high speed ICE/IC trains. A line of Berlin's U-Bahn (subway) is being extended out to the airport.

In parallel moves, a feeder highway is being built. It will connect the airport with the A113 autobahn. This superhighway runs between Berlin and Dresden and intersects both of Berlin's major beltways.

#### Relief from bottlenecks

These links are already badly needed, and will be even more so in the future. Says Götz Herberg, chairman of the executive board of Berlin-Brandenburg Flughafen Holding, the city's airport authority: "Berlin is emerging as a center of logistics and other services for Northern and Eastern Europe. The CEE companies are facing a problem: the transport infrastructure in the region is often woefully inadequate. Berlin's air links are helping remove this bottleneck."

Airfreight transported via Berlin's airports was up 10 percent in 1997, amounting to a still modest 62,000 metric tons. This rise in airfreight has already spawned a belt of logistics specialists around today's Schönefeld airport. This belt will soon feature office complexes, product assembly facilities and much more. Several of Germany's leading real estate development companies have announced ambitious plans for the Schönefeld region.

"This is following the pattern already established in Frankfurt, Munich and Germany's other major cities," adds Mr. Herberg. "Many companies want to operate in the immediate vicinity of an airport. That's why airports are such job-creating machines."

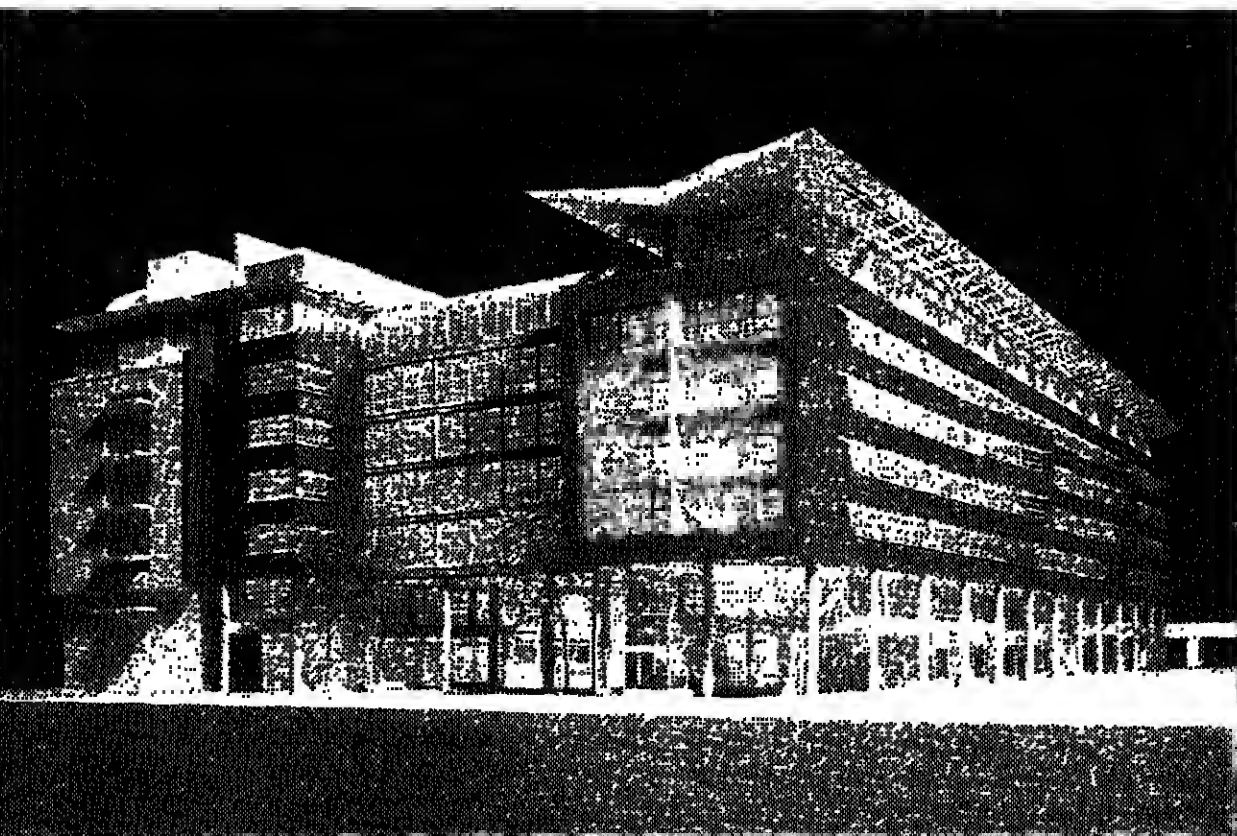


The new airport will inherit Schönefeld's upgraded runways.

the fourth-largest total among Germany's cities. Based on the 5 percent rate of through-passenger growth forecast for the next decade, the timing of the commissioning of the new airport looks right.

#### Hub for the north and east

BBI will have a total capacity of 30 million passengers a year. This expansion in capacity will be produced by the new airport's terminal buildings and by the lengthening of Schönefeld's current runway to 3,600 meters (11,880 feet) and the building of a new one 4,000 meters long. These additional capacities and improved runways will be needed. The new airport will be one of Europe's major hubs, and the



Space within the nine-story City Carré II will be configurable according to tenants' needs.

### BUILDINGS WITH BUILT-IN SERVICES

Once the space is rented, both business and home services for tenants can be laid on.

Berlin's bubbling real estate market is spawning a profusion of buildings and a number of ingenious strategies to attract the tenants and buyers to fill them.

Many of these focus on equipping the buildings with state-of-the-art communications infrastructure. Others center on the post-completion phase and have nothing to do with wire and wats. Rather, they focus on "in-building" the outsourced needs of the new occupants.

When completed in autumn 1998, City Carré II will be a large (22,250 square meters of usable space) building of pleasingly postmodern appearance. This will fit in well with its adjoining neighbor and with the neighborhood.

City Carré II's site adjoins that of City Carré I. Completed in 1996, this building features a similar architectural style. Both buildings are located near the city's Ostbahnhof train station in Berlin's Friedrichshain district. The station has recently been rejuvenated, as have been the highways and railroads crisscrossing the district.

#### High tech, high access

This sprucing up was mandated by the city's urban planners. In their vision, Friedrichshain, hitherto predominately a home to aging industrial complexes, is to become a mecca for providers of administrative, technical, educational and other business-to-business services, all of whom are dependent upon high-access transport links.

This vision is becoming a reality, at least as far as City Carré I is concerned. The Dresdner Bank has located its administrative and technical services cen-

ter in the building. It occupies 36,000 square meters of space and will employ up to 1,200 people.

While not differing wildly in appearance from the other new buildings dotting Friedrichshain, the two Carrés do represent a real-estate revolution in Berlin. That's because, in addition to the advanced communication link-ups, sculpted greenery and other features found in most new buildings, these offer something exceptional: services. Should they wish, companies resident in City Carré II will be provided with facility management, business development, personnel training, supplies procurement and other services, including so-called "home" ones.

Says Jörg Bourgett, member of the board of directors at the Wiesbaden-based Köllmann AG, developer of the two buildings: "That means we'll handle the housing, shopping, car care and other needs of our resident companies' employees. Our approach is to supply every service required to make each of these employees productive."

Excluding the home ones, such services are generally provided on a per-use basis by business centers, whose tenants are generally short-term. That's in complete contrast to the companies resident in Köllmann's buildings.

"Outsourcing has become a dominant trend in the world's business community," says Mr. Bourgett. "For it to work, this outsourcing is dependent upon a continuity and reliability of supply. That's why our tenant-customers are interested in setting up long-term working relationships with us."

This approach may be new to Berlin, but not to Köllmann, which has em-

ployed it over the last three decades to make itself into one of Germany's largest providers of business-to-business services.

A large number of the corporate tenants of the company's properties are local operations of international companies.

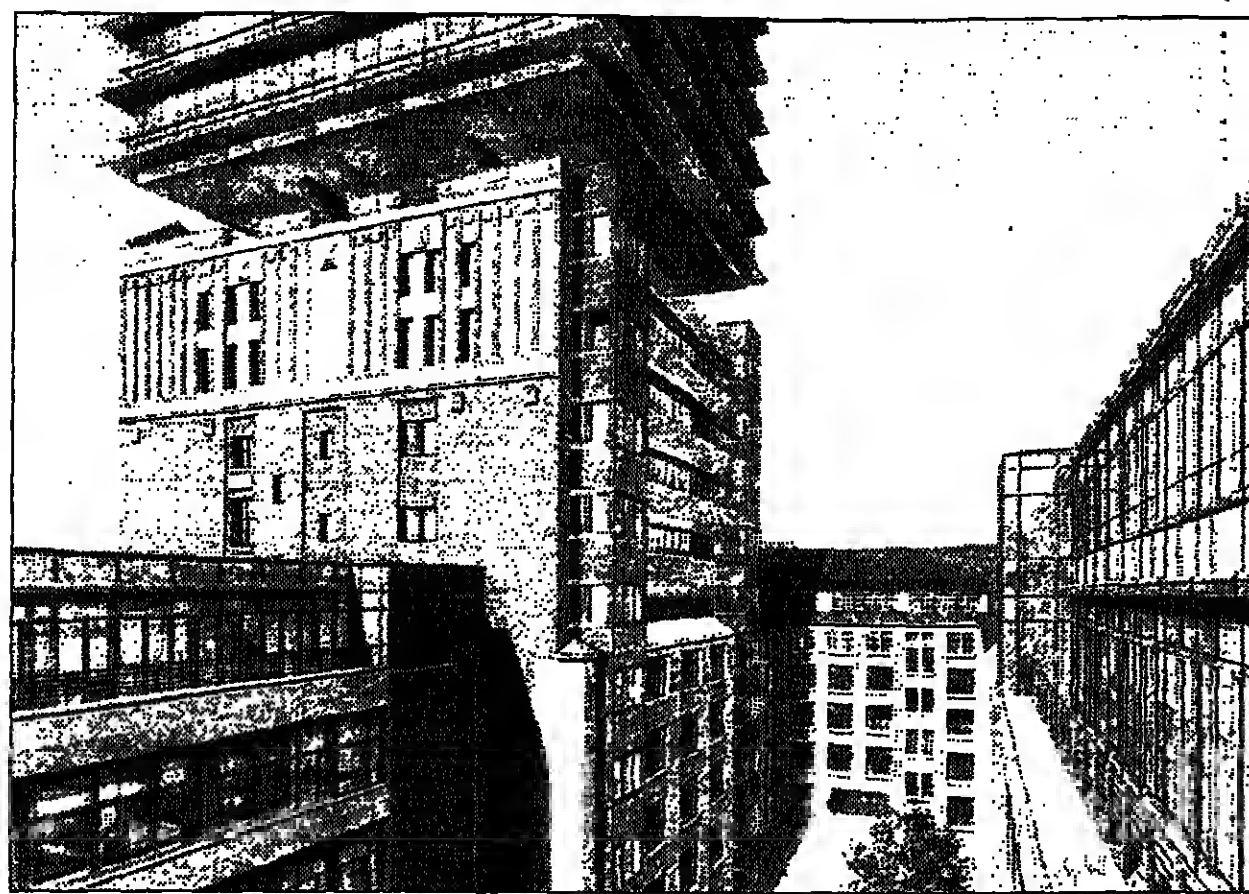
"That's only natural," points out Martina Helten, key account manager at Köllmann. "After finding office space, the first steps taken by non-German companies when setting up shop in the country are to recruit personnel, secure official approvals and find housing for staff members. In so doing, they often have to overcome two difficulties: they don't know the country and, in some cases, they don't know the language. We're happy to overcome all these difficulties for them."

#### Made to measure

As she points out, these services are provided on an "as-needed" basis. "We're flexible and customer-oriented at Köllmann," says Ms. Helten. "Which services we're providing at any given time is determined by our resident companies' current needs."

This flexibility is built into City Carré itself. "With nine floors, we have ample space," she adds. "The space on these floors can be configured to meet the individual wishes and needs of its tenants."

This is an essential attribute. Companies arriving in Berlin display a wide range of needs for office space. And once set up, their operations have a tendency to grow and diversify. These factors preclude their being locked into a no-changes-possible space. ■



### A BOLD VISION FOR THE EAST SIDE

A postindustrial center is nearing completion.

Gisbert Dreyer, the managing director of the Munich-based Hypo-Real Immobilien- und Projektentwicklungs GmbH, says there are two ways of approaching real estate development. "You can develop a property located in an area of proven attraction," he points out, "or you can select a property in an unproven area and, in developing your property, transform the region as a whole into a sought-after location. The latter approach contains great risks and the potential for even greater rewards. It's been done over and over again, in places ranging from Pittsburgh's industrial core to Hamburg's Speicherstadt. It's definitely not something for short-termers, or someone lacking a clear vision of what the property could be."

In the case of Oberbaum City, Mr. Dreyer and the company he heads with Hugo Gensler have very much taken the second approach. Covering 46,000 square meters, the city is located in the eastern reaches of Friedrichshain, a district known throughout its 100-year history for its central location, good transport links and the large number of manufacturing facilities profiting from both.

The district is situated just east of Mitte, Berlin's old and new downtown. Passing through Friedrichshain are the Spree River as well as major rail lines and roads. Situated on or near these transport arteries are a number of sprawling, venerable industrial and logistical complexes. One of them was nicknamed the "City of Light," a reference to its main product over the past two centuries: gas lamps and, later, electric lightbulbs.

In Hypo-Real's vision, Oberbaum City — as it has been renamed in reference to a well-known bridge near the site — is to house a major cluster of software companies, industrial designers and providers of technical services. The warehouses and storage rooms contained in the strip of buildings located between the city and the Spree are to become lofts and offices.

Friedrichshain is to become Berlin's "new east side," what Mr. Gensler calls "a metropolis of postindustrial innovation within Central Europe's largest urban agglomeration, a flank of companies supplying intelligent services to the seats of administration and business located to the district's immediate west — and to points beyond." Hypo-Real is channeling its activities at Oberbaum City through Sirius Immobilien- und Projektentwicklungsgesellschaft mbH, a subsidiary.

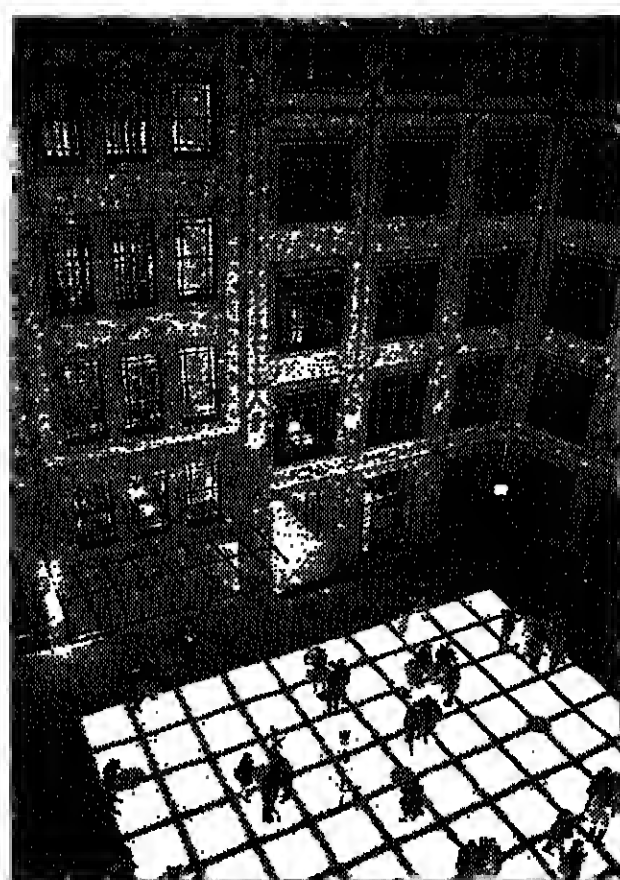
In a city replete with bold visions, it's one of the bolder ones. It's also one well on its way to realization, at least as far as Oberbaum City and its adjoining areas are concerned. Two of the city's six interconnecting structures have already been completed and a third will follow in autumn 1998, with a fourth to come early in 1999. The entire project is set for completion by 2000.

The buildings already house the International Design Center, currently holding a blockbuster exhibition of contemporary design, "Sense and Form," put together by Richard Sapper, the world-famous expert on design, as well as such high-profile ICT companies as Acotec, which ranks among Europe's fastest-growing companies.

This city-within-a-city has an urban grid all its own. Generally seven or eight stories high, its buildings are arrayed in parallel and perpendicular rows. The resulting interior squares are centers of greenery and light.

#### Total rehab

Developing the project has entailed finding a new home for the lightbulb manufacturer previously occupying part of the site, shepherding the project through a wide range of building plan approval and landmark preservation processes, and conducting thoroughgoing environmental and architectural revampings. This last was so extensive that the only original parts of the facility left are the red bricks forming its Gründerzeit (Germany's golden age at the turn of the 20th century) facades.



Two of Oberbaum City's structures have now been finished, with final completion of the complex scheduled for 2000.

Everything else is new or completely rejuvenated, including Oberbaum City's roads, its communications backbone — even its gardens. The buildings have been redesigned by such famous architects as the Hamburg-based Schweger & Partner.

The final product is a complex whose ambience, in Mr. Dreyer's words, "is a meld of the comforting solidity and old-fashioned spaciousness of the Age of Industry and the glass-produced airy openness now becoming the trademark of the turn of the 21st century."

As Mr. Gensler explains, this ambience is probably the complex's most important selling point, along with the above-mentioned abundance of cultural and technological activity. He says: "We

launched this project with a very clear idea of who our potential clients were and are — companies providing multimedia displays, computer programs, industrial designs and other electronic, technical or artistic content. Thanks to our years of experience in developing such projects and to the extensive market studies carried out on our behalf, we knew what such companies look for when selecting a new home. They want a place that looks and feels creative, isn't

sterile, and has good food, interesting people and culture close at hand."

The presence of such headlines as the International Design Center and Acotec in Oberbaum City is anything but a matter of happenstance. "We set out to create a core around which our cluster could coalesce," says Mr. Dreyer. "Doing so has involved a judicious amount of selective recruiting. Nowadays, you can't build a great complex and sit on your hands waiting for the tenants to come. You have to go out and sing its praises to your potential customers."

The presence of such cutting-edge companies and institutions has also stemmed from the great deal of plain ingenuity shown by Hypo-Real.

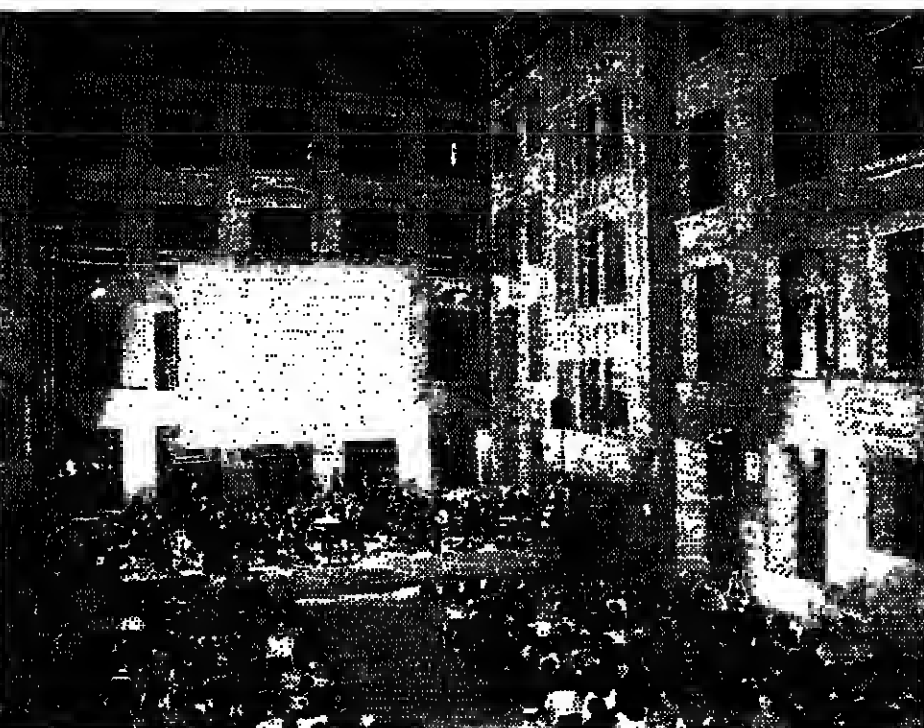
#### Langian atmosphere

For instance, there was the matter of the facades, which stood in splendid, brooding solitude on the site for several months in 1997.

Hypo-Real executives noticed that the brick facades were arousing interest among the tens of thousands of people commuting past the site every day. This interest was shared by the city's intellectuals. "A wonderfully weird," Fritz Lang-like charm" is how one Berlin daily described them.

Consequently, Hypo-Real organized an artistic event on the site in September 1997. "Metropolis," Fritz Lang's great masterpiece, was screened in the midst of the squares of facades, with accompaniment from a live orchestra.

Hypo-Real is a subsidiary of the Munich-based Bayerische Hypothek- und Wechsel-Bank AG, one of Germany's largest banks, now in the process of merging with Bayerische Vereinsbank. Hypo-Real is involved in all areas of real estate. The company develops, manages and markets buildings and properties. It also manages real estate funds and corporate portfolios of properties. It is active in a number of major projects in Berlin, including the Park Colonnades. The villa-like office buildings are situated on Potsdamer Platz. ■



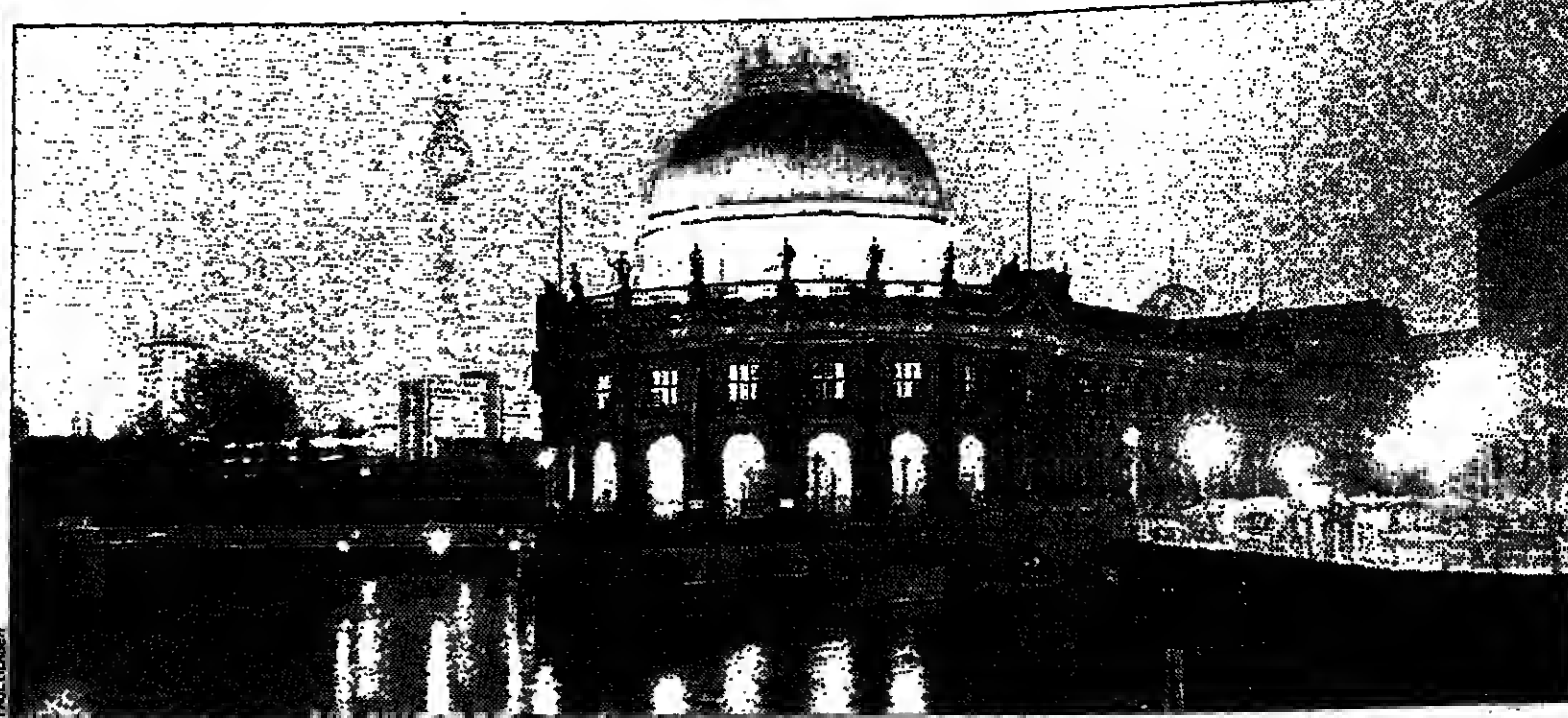
The screening of Fritz Lang's "Metropolis" on the site in September 1997.



# THE NEW BERLIN: 50 YEARS AFTER THE AIRLIFT



In Berlin, sustenance for the spirit is never far away, from the tranquil waters of the Spree (top left) to the great collections housed on "Museum Island" in east Berlin (top right) and the Philharmonic on the Kempterplatz (right).



## NIGHTLIFE NEIGHBORHOODS TO PICK AND CHOOSE FROM

Old War East Berlin had a downtown of sorts — Alexanderplatz, the square ringed by Stalinist skyscrapers. Today's east has the Friedrichstrasse/Unter den Linden area, dozens of blocks of glittering new department stores, hotels and office buildings.

This area is going head-to-head for customer patronage with the west's Kurfürstendamm/Taunusanlage artery, Berlin's answer to Fifth Avenue. Both of these areas are competing for business with the malls springing up on the city's periphery and with such well-rooted, rejuvenated local shopping areas as Steglitz and Pankow.

Shoppers in Berlin face an embarrassment of options. It's even worse for club-goers. Although supporters of "36 Kreuzberg" (a reference to the area's former postal code) would take vociferous issue with this statement, the "in" places in Berlin are definitely in the east — Mitte and Prenzlauer Berg, Mitte's Oranienburgerstrasse and Prenzlauer Berg's Kollwitzplatz are jam-packed with relatively new, very chic clubs.

"Actually, I very rarely go out in Mitte or Prenzlauer Berg anymore," says Jördis Oehme, a 20-year-old student of marketing communications and resident of the latter area. "Too many tourists. Friedrichshain [a district in eastern Berlin, to the west of Prenzlauer Berg] or Treptow and many other

areas are happening places at the moment. Treptow because of the 'Insel'."

Treptow is a rather anonymous district situated well to the east of downtown Berlin. Insel is German for island, and that's precisely what this cultural center is. Once the meeting hall of Freie Deutsche Jugend, East Germany's communist youth movement, the facility is surrounded by a natural moat — the Spree River.

"There are dozens of similar nightspots in Berlin," says Johannes Berthe, another young Berliner. "Each district has several of them. And, for me, that's the true trend at the moment. The choice of venues has become so overpoweringly great that it's ridiculous to speak of a single district being in. Rather, it's a matter of all districts offering a lot to do, so much that it's often impossible to select from among them."

The abundance probably explains Berlin's enduring appeal. When the Berlin Wall fell, many observers predicted that the city's tourist trade would collapse with it, since the wall had been the city's leading attraction.

Instead, tourism has remained strong. In 1997, the city recorded some 8 million overnight stays, up 8 percent over 1996. The figure is a record and is keeping Berlin, despite strong competition from arch-rival Munich, the number-one destination in Germany. •

## WEIGHTY NEW RESIDENTS FLOCK TO THE FEDERAL BELT

The move of Germany's federal government from Bonn to Berlin will result in a net addition of 8,000 civil servants to the city's population.

Another 40,000 diplomats, lobbyists, journalists, lawyers and other professionals will be arriving along with the federal government.

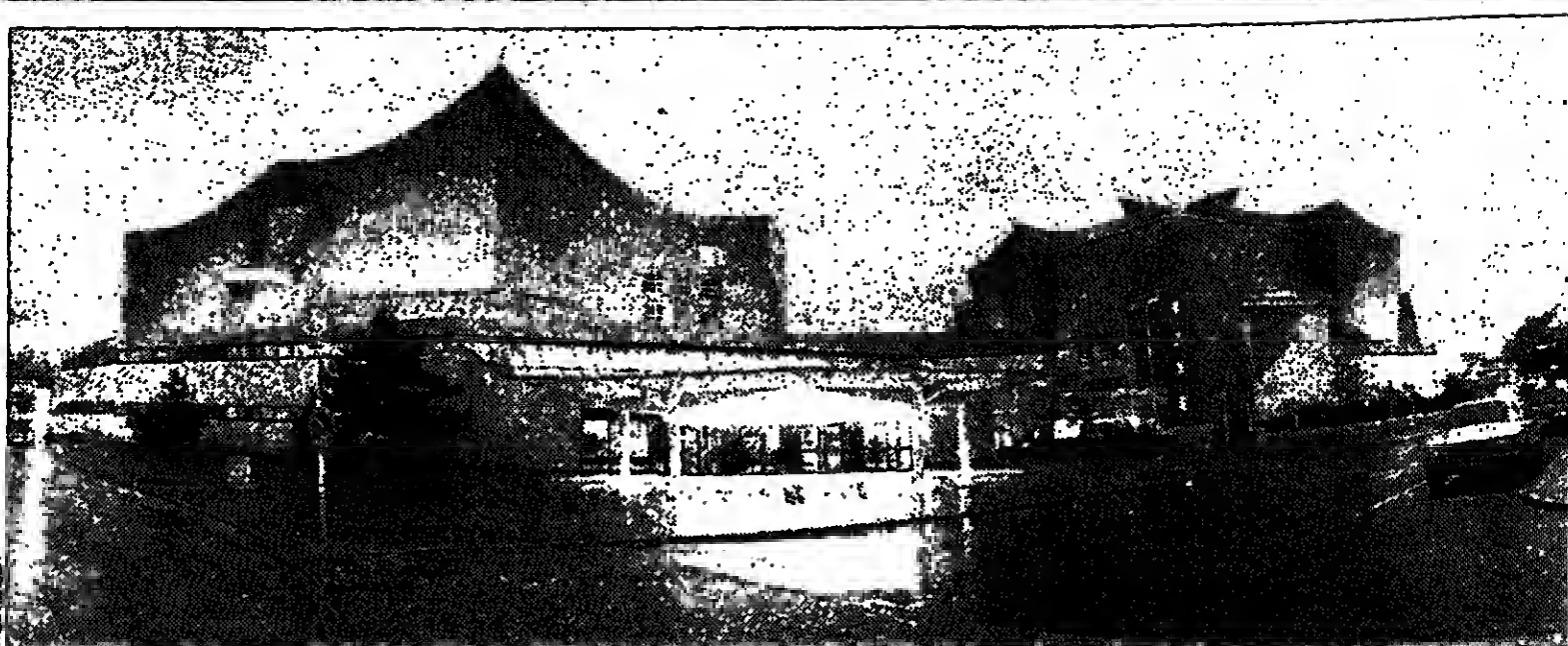
All told, some 150 embassies, 35 major business associations and organizations (and hundreds of smaller ones), six political parties, dozens of trade unions and 120 news-gathering organizations have already announced their plans to relocate from Bonn — as well as Cologne, Munich, Frankfurt and other major German cities — to Berlin or to set up entirely new facilities in the city.

Many of the newcomers are settling in the Federal Belt, a ring of newly constructed or renovated buildings around the Brandenburg Gate, extending some 3 kilometers (2 miles) outward.

They will share the center of the belt with 10 ministries, the office of the chancellor, the president's residence and a host of other official buildings.

Twenty-five of the embassies didn't have to look for new facilities at all; they merely returned to the ones they had occupied before World War II.

Many of these are located in the Diplomat's Quarter, which covers part of the Tiergarten district's southern reaches. Other embassies have joined them in this verdant parkside area. •



## A DOUBLE DOSE OF CULTURE

History has given Berlin more than its share of museums and campuses.

The Cold War created two "half-cities" in Berlin, each the largest in its country, and each the hub of national cultural activity and intellectual life. The governments of the two Germanys systematically built up their half-cities into full-fledged metropolises. Today the city, whole again, has two, sometimes three and even four of everything.

Berlin has long played an important role in the field of visual arts. Says Wolfgang Werner, proprietor of the downtown gallery of the same name: "Many of Germany's great artists, including Paula Modersohn-Becker, whose exhibition we're contributing to, came to Berlin for 'finishing' before proceeding onward to Paris, New York and international fame."

In pre-World War II Berlin, the Pergamon, Bode and other major museums were all clustered on an island in the Spree River. The "museum island" was — and is — in East Berlin, next to Humboldt University and the city's two opera houses. After the war, West Berlin soon had an important museum complex of its own —

Dahlem, with nine museums, including the old Picture Gallery. Also located in this district is the city's new Free University.

The government of West Berlin also devoted itself to its downtown district, building a new opera house and technical university there. They were soon followed by what would become the Kulturforum, now the site of the city's Philharmonic, National Gallery, new Picture Gallery (which opened June 12), Museum of the Applied Arts

and State Library. It is located on what was wasteland in the Cold War years — the open spaces bordering the Berlin Wall.

The wall has come down, leaving the city with three groupings of cultural institutions and three major campuses. A fourth is on its way: Many of Humboldt University's science departments are being relocated to Adlershof, a 10 billion Deutsche mark (\$5.6 billion) complex being developed in Berlin's southeast corner. •

## SUMMER IN THE CITY

• **Paula Modersohn-Becker.** Comprehensive exhibition of sketches, etchings, watercolors and other works by the German modernist artist. Käthe Kollwitz Museum, Fasanenstrasse 24, D-10719 Berlin. Tel.: (49 30) 882 52 10. Through July 27.

• **Schaustelle Berlin.** One of the new Berlin's greatest hits, an open house at Berlin's downtown construction sites and newly completed buildings. Events staged at and among the sites include open-air concerts, readings, street festivals and much more. For further information, call Berlin Partner: (49 30) 202 40 00. June 21-Aug. 31.

• **Lyonel Feininger.** Blockbuster exhibition of this early 20th-century German-American artist's work. New National Gallery, Potsdamer Strasse 50, D-10785 Berlin. Tel.: (49 30) 20 90 55 55. July 3-Oct. 11.

• **Love Parade.** For those who like techno music and cavorting with well over a million people, this is the event of the year. July 11.

## CLEANER, GREENER DEVELOPMENT

Continued from page 21

to live in and provide gainful employment for local residents, thus minimizing the flow of people and goods through the city.

**Long-term vision**

It all goes by the name "sustainable development," a term dating back to 1992's United Nations Conference on Environment and Development. Held in Rio de Janeiro, the conference produced Agenda 21, its call to action.

The agenda has 40 individual chapters. Number 28 calls upon the world's communities to come up with

their own local Agenda 21s. Berlin has been quick to respond. By now, all of its 23 districts have drawn up and are now implementing ambitious programs promoting the use of regenerative sources of energy, educating local residents in the proper way to avoid and separate waste and much more.

Berlin is not the only municipality currently endeavoring to re-engineer its urban environment. All of the world's cities are facing the interrelated challenges of minimizing pollution and maximizing environmentally and economically sustainable growth — few more pressing than the cities of

Central and Eastern Europe.

For Warsaw, Prague, Budapest and dozens of other cities, the re-engineering of the environment is not only a matter of ecological life and death, but a precondition for accession to the European Union.

This twofold motivation and Berlin's standing as an environmental role model explain the avid interest shown by the CEE cities in attending the "Future of Our Cities — Sustainable Urban Development in Central Europe" conference.

To be held in Berlin Sept. 9-12, the conference will delve into such subjects as how best to enlist the private

sector in providing public services such as energy and water.

**International voices**

The conference is the highlight of a series of workshops kicked off in September 1997. Like its predecessors, the conference will take as its theme the city and how best to manage it.

Well-known environmental experts will speak, including Prince Charles; Ritt Bjerregaard, the EU environment commissioner; and Klaus Töpfer, former environment minister of Germany and now head of the United Nations Environmental Program. •

## Unique Mission.



Germany, June 1948. Berlin Air Lift. Thanks to the initiative of U.S. General Lucius D. Clay, vital supplies for the city of two million inhabitants are provided by air. At Frankfurt and Wiesbaden military airfields, aircraft are being loaded around the clock, day by day. Till April 1949, more than 2,000,000 tons of goods will be hauled by 280,000 flights. On behalf of the West-Berlin city council, Controll-Co.m.b.H., German affiliate of SGS Société Générale de Surveillance (Geneva) performs the necessary loading inspections with a staff of more than 150, hired and trained within a few days. In twelve-hour shifts, they help to provide the citizens of Berlin with groceries, fuel, and industrial goods — a mission which once again proves SGS's expertise, integrity, and trustworthiness.

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## USEFUL ADDRESSES

**Press and Information Office of Berlin**  
Berliner Rathaus, D-10173 Berlin  
Tel.: (49 30) 24 01 0  
Fax: (49 30) 24 01 25 26  
Internet: <http://www.berlin.de> (A great Web site, with much information in English for tourists and business people about visiting or operating in the city, appealing graphics and a plethora of useful links.)

**Berlin Partner**  
Gesellschaft für Hauptstadt-Marketing mbH  
Public-private partnership promoting Berlin as a business location and cultural center.  
Charlotten Strasse 65, D-10117 Berlin  
Tel.: (49 30) 202 40 0  
Fax: (49 30) 202 40 166

**Berlin Ministry of Urban Development, Environmental Protection and Technology**  
Am Köllnischen Park 3, D-10179 Berlin  
Tel.: (49 30) 90 25 10 65  
Fax: (49 30) 90 25 10 64

**BLEG**  
Berliner Landesentwicklungsgesellschaft mbH  
Industrial-site development.  
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Tel.: (49 30) 39 91 40 15  
Fax: (49 30) 39 91 40 01

**American Diversified AG Wertpapierhandelsbank**  
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Kurfürstendamm 15, D-10719 Berlin  
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Fax: (49 30) 88 03 33 2 0

**Berlin-Brandenburg Flughafen Holding GmbH**  
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Tel.: (49 30) 60 91 20 50  
Fax: (49 30) 60 91 20 03

**Kollmann AG**  
Magazinstrasse 15/16, D-10179 Berlin  
Tel.: (49 30) 24 00 63 00  
Fax: (49 30) 24 00 61 07

**Hypo-Real Immobilien- und Projektentwicklungsgesellschaft GmbH, München**  
Grillparzerstrasse 16, D-81675 München  
Tel.: (49 89) 45 71 52 00  
Fax: (49 89) 45 71 52 11

**Sony Berlin GmbH**  
Friedrichstrasse 70, D-10117 Berlin  
Tel.: (49 30) 20 94 44 00  
Fax: (49 30) 20 94 44 11

**Tishman Speyer Properties Deutschland GmbH**  
Friedrichstrasse 67, D-10117 Berlin  
Tel.: (49 30) 20 94 54 00  
Fax: (49 30) 20 94 54 09

**Art Forum Berlin**  
Messedamm 22, D-14055 Berlin  
Tel.: (49 30) 30 38 0  
Fax: (49 30) 30 38 2325

سكرا من الاموال



# ATION NORTH EW ESTATES

...drawing people and industry.  
...21,000 square feet. The lot  
...are zoned for all kinds of  
...manufacturing and related  
...services, and can be con-  
...figured to meet investors' in-  
...dividual needs.  
...Says Rolf Schmidt,  
...BLIC's head of marketing  
...and distribution: "We see the  
...use as being the estate's two  
...greatest operating advan-  
...tages...also that companies  
...can work on a three-shift,  
...round-the-clock basis there,  
...and that the estate is so close  
...to Berlin's downtown, only  
...12 kilometers or 20 minutes  
...by autobahn."  
...Greater Berlin is full of  
...various developments. The  
...amount of competition alone  
...would make it difficult to sell  
...the northern Pankow estate,  
...even if it were a smaller man-  
...ufacture. It is the size of the  
...estate's size. It is the  
...largest of its kind in Greater  
...Berlin.  
...Actually, we see the size  
...as the greatest advantage of  
...the estate. Mr. Schmidt. "It's  
...simply not hard to find par-  
...ticular large in Greater Ber-  
...lin, and it's going to get  
...harder."  
...BLIC's staff of experi-



# THANK



## without you.

Celebrating the 50th anniversary of the Airlift.

The Allied Forces secured the survival of West Berlin's citizens from 1948 to 1949 by implementing the Berlin Airlift. During the blockade, cargo planes flew a total of 278,228 flights into Berlin, delivering over 2 million tons of food and supplies. Today, 50 years later and surrounded by a new European geography, Berlin has become a gateway to new opportunities and new markets.

We thank you and warmly welcome you to the many events taking place between May 12, 1998 and May 12, 1999 in celebration of the 50th anniversary of the Berlin Airlift. For further information please contact: German National Tourist Office, Phone: 0171 495 0081, Fax 0171 495 6129.



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Advertisement available on Internet: <http://www.ihf.com/INT/FUN/funds.html>  
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## WORLD ROUNDUP

## Hasek Is Honored

**HOCKEY** Dominik Hasek, the Buffalo Sabres' goalie, was voted the Lester Pearson Award as the NHL's best player for the second straight year by his fellow players. The award is given by the NHL Players' Association, which made the announcement Thursday.

Hasek was also a favorite to win the Hart Trophy as the league's Most Valuable Player at an NHL awards gala Thursday night. He also won the Hart last season.

The Sabres had a 33-23-13 record with Hasek in goal this past season, and he had a 2.09 goals-against average and a .932 save percentage. He led Buffalo into the Eastern Conference finals where it lost to the Washington Capitals.

Eric Lindros, who could have become a free agent next week, signed an \$8.5 million contract that will keep him with the Philadelphia Flyers next season. (AP)

## Eagleson Granted Parole

**HOCKEY** Alan Eagleson, once one of the most powerful men in pro hockey, was granted parole Thursday after serving one-third of an 18-month jail term for fraud.

The 65-year-old Eagleson is to be released from his Toronto-area prison on July 7, corrections officials said after a hearing.

Eagleson, a former head of the NHL Players Association, pleaded guilty to three counts of fraud and theft on Jan. 6 in Boston and was fined \$1 million. The next day, he pleaded guilty to three counts of fraud in Toronto, agreeing in a plea bargain to an 18-month jail sentence. (AP)

Early Exit for Moya  
As Arazi Dominates

Agassi, Struggling, Falls to 20-Year-Old Haas

By Jennifer Frey  
Special to the Herald Tribune

**WIMBLEDON, England** — Carlos Moya all but laughed at his chances of winning Wimbledon shortly after he won the French Open earlier this month. On Thursday, Moya fulfilled his own prophecy by losing his second-round match at the All England Lawn Tennis Club.

A clay-court player with limited experience on grass, Moya lost by 4-6, 6-4, 6-3, 6-4 to Hicham Arazi, a Moroccan ranked 59th in the world.

Moya was followed on Centre Court by a man who truly believed he had a shot at winning here — Andre Agassi of

— as his favorite to win here.

The men's field has lost a string of seeded players this week. Among the others to be defeated were No. 2 Marcelo Rios, No. 7 Yevgeni Kafelnikov and No. 10 Alex Corretja, the French Open finalist.

"The guys who lose were the guys who were supposed to lose," said Krajicek, who loves Wimbledon's grass and won here in 1996.

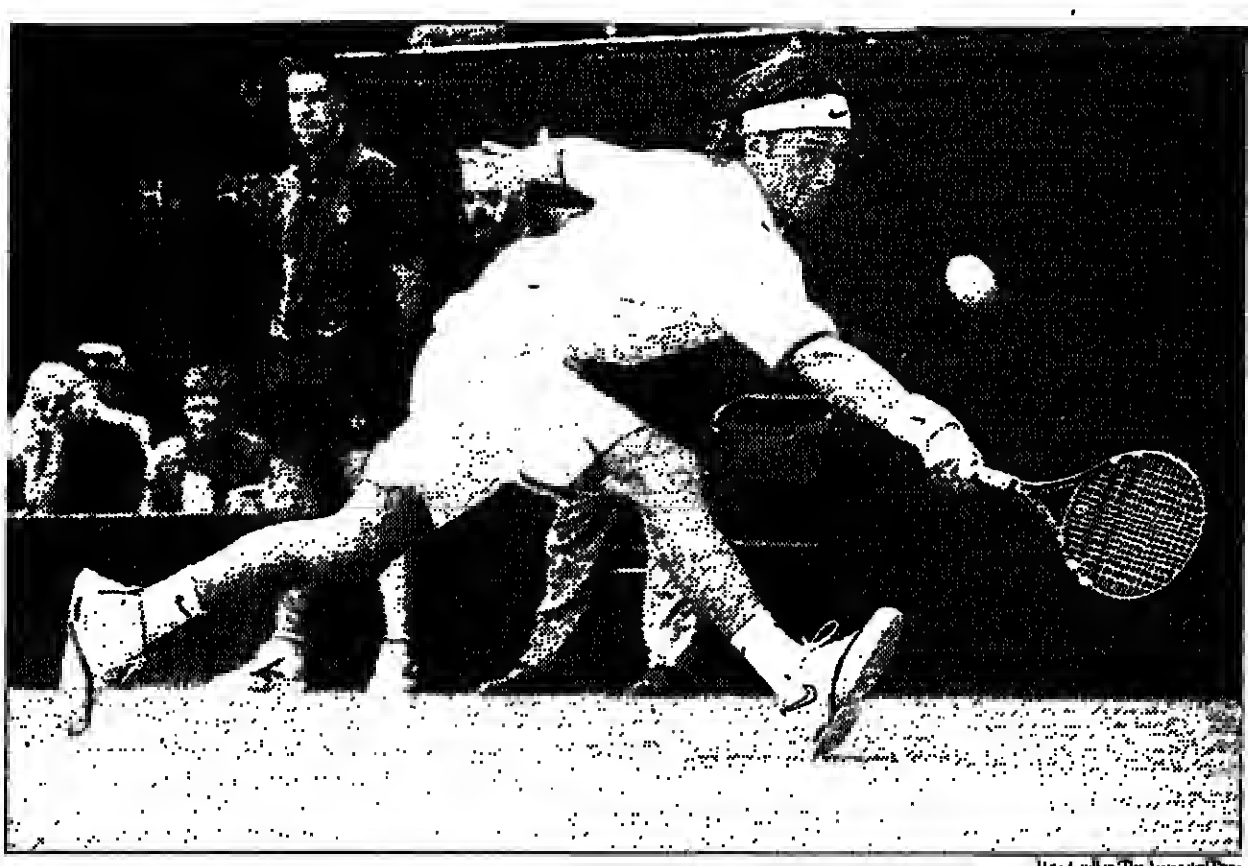
Moya would not necessarily disagree. He is one of a small group of players who arrived at Wimbledon with a shot at supplanting Pete Sampras at the top of the men's rankings, but even he did not consider that very likely. Of all the major tournaments, Wimbledon is the biggest mystery to Moya, who made it to the Australian Open finals in 1997, and already is looking forward to the hardcourt U.S. Open this fall in New York.

"You know, if I win Wimbledon, I'll be No. 1, huh?" Moya said after winning the French. "You never know. I don't think it's going to be the case. I'm going there just to learn to play good tennis, to improve my game there. My next goal will be the U.S. Open."

What Moya, the student, learned at Wimbledon is a lesson that has been absorbed, painfully, by many French Open champions: It is not easy to adjust to a different surface in so short a time period.

The last man to follow a French Open title with a victory at Wimbledon was Bjorn Borg, who won both tournaments in 1978, 1979 and 1980.

Last year's French Open champion, Gustavo Kuerten of Brazil, fell to Justin



Carlos Moya of Spain stretching to make a backhand return to Hicham Arazi of Morocco, who won in 4 sets.

Gimelstob in a first-round Wimbledon match. And Kafelnikov did no better in 1996, arriving here still glowing from the French, only to go down in defeat immediately to England's own Tim Henman.

Moya is ranked No. 4 in the world but was seeded fifth at Wimbledon behind Greg Rusedski, the world No. 5 who withdrew from the tournament on Wednesday with an ankle injury. In making that seeding decision, tournament officials surely took note of the fact that the 21-year-old Moya had played just seven career matches on grass prior to his arrival at this tournament, winning just two. He appeared no more com-

fortable here on Thursday.

"I lost confidence," Moya said. "I didn't go to the net."

Agassi appeared confident when he took the court for the fourth set of a match that he trailed by two sets to one when play was called Wednesday. He broke Haas immediately and went up by 3-1 before the young German rallied and took advantage of several Agassi mistakes.

"It's a very special win for me," Haas said, referring to his opponent, "because he won Wimbledon in 1992, and for me I can say I beat Andre Agassi, a former No. 1 who has won a couple of grand slams."

## Hingis and Novotna Advance

Martina Hingis, the No. 1 seed, and Jana Novotna, the No. 3, both won their second-round matches in straight sets, and Jennifer Capriati watched her comeback bid end with a second-round loss to a fellow American, Lori McNeil.

But the most impressive performance of the afternoon came from the 16-year-old Serena Williams, who faced another teenage phenomenon, Mirjana Lucic, and simply blew her off the court.

Williams, whose sister, Venus, also was scheduled to play a second-round match Thursday, took just 49 minutes to beat the 16-year-old Croatian, 6-3, 6-0.

## Olowokandi Is Top NBA Draft Pick

Clippers Grab Nigerian-Born Center Amid Flurry of Dealing

By Mike Wise  
New York Times Service

**VANCOUVER, British Columbia** — His skill was hard to gauge, given that he had played only 77 games in his life. But Michael Olowokandi's size alone — 7 feet 1 inch (2.2 meters), 265 pounds (120 kilograms) — made it impossible for the team with the No. 1 pick, the Los Angeles Clippers, to stubbornly choose a point guard.

The Clippers finally decided that Olowokandi's potential held more promise than anything that the University of Arizona's guard, Mike Bibby, could offer.

Completing an improbable odyssey that began in 1995 when he gave up playing the sport recreationally in a London courtyard and came west to University of the Pacific, a private California school chosen blindly from a library book, Olowokandi was plucked first by the Clippers in the 1998 National Basketball Association draft at GM Place on Wednesday night.

"Seeing my name at the No. 1 spot still is unbelievable, especially when you consider where I came from about three years ago," the Nigerian-born, 23-year-old Olowokandi said. "Having not played basketball and having not gotten a lot of national recognition. And then to this."

Olowokandi's last-minute ascent to No. 1 — Bibby was taken No. 2 by the Vancouver Grizzlies — lent intrigue to a draft short on impact players and long

on unknown talents. Eight first-round picks were traded in a flurry of deals on Wednesday night that spiced up one of the more bland talent pools in recent memory.

The Grizzlies made noise, trading Antonio Daniels, the fourth pick last season, to the San Antonio Spurs for Carl Herrera and the rights to Felipe Lopez, the St. John's star who was taken 24th by the Spurs.

Lopez, born in the Dominican Republic, was one of six players born outside the United States to be drafted in the first round, following Olowokandi, Dirk Nowitzki of Germany (chosen ninth by Milwaukee), Radoslaw Nestorovic of Slovenia (taken 17th by Minnesota) and Mirsad Turkanovic of Turkey (taken 18th by Houston). Vladimir Stepania of the Republic of Georgia was taken 27th by Seattle.

Al Harrington, the 6-9 forward from Elizabeth, New Jersey, was taken 25th by the Indiana Pacers. He was the first high-school player taken ahead of Rashard Lewis from Alief, Texas, who was taken in the second round, No. 32 overall, by Seattle.

Don Nelson sent players to and from Dallas, finally winding up with the Phoenix point guard Steve Nash. And in a move that may dramatically alter Eastern Conference frontlines, the New York Knicks worked out a deal to move Charles Oakley, the Madison Square Garden favorite and veteran power forward, along with Sean Marks of California, the 44th pick, and cash, to Toronto

for the forward Marcus Camby.

One Knick who requested anonymity said Wednesday night that he was "shocked that the organization would trade Oakley." The Knicks' president, Ernie Grunfeld, when asked if he had considered Oakley's popularity before making the deal, said: "We have to do what we have to do for our team."

The Mavericks traded the sixth pick, the mammoth forward Robert Traylor of Michigan, to Milwaukee for the draft rights to the Nowitzki and Notre Dame's Pat Garrity (the 19th pick). Dallas then sent Garrity, the forward Martin Murrpapp, the guard Bubba Wells and its own first-round pick in 1999 to Phoenix for Nash.

The Denver Nuggets traded Tyrone Lue of Nebraska, chosen at No. 23, and Tony Battie to the Los Angeles Lakers for Nick Van Exel.

Among other surprises, Denver became one of several teams to pass on the Kansas swimmer Paul Pierce, who fell from one of the top three picks all the way to the Boston Celtics at No. 10. And the Kentucky center Nazr Mohammed plummeted to the Utah Jazz at No. 29, and was then traded to Philadelphia for future considerations.

Instead of Pierce, the Nuggets took his teammate, the Kansas power forward Raef LaFrentz, at No. 3. The Raptors selected North Carolina's Antawn Jamison with the fourth pick, and the Golden State Warriors chose his Tar Heel teammate, Vince Carter, with the fifth pick. But the Raptors, knowing the



Commissioner David Stern welcoming Michael Olowokandi to the NBA after the center was chosen.

Warriors wanted Jamison all along, then traded him to Golden State for Carter plus cash.

After Traylor, the Florida point guard Jason Williams was selected seventh by the Sacramento Kings. With the eighth pick, Philadelphia took the 19-year-old St. Louis shooting guard Larry Hughes.

## Homers Go for Naught

The Associated Press

Sammy Sosa and Mark McGwire care about only one set of numbers — final scores. Everything else is a waste of time.

They both came up short Wednesday night. Sosa's Chicago Cubs wasted his record-tying homer in a 7-6, 11-inning

loss at Detroit, and McGwire's league-

leading 34th homer was St. Louis's only highlight in a 14-3 loss at Cleveland.

"It's really insignificant," McGwire said of his first homer in 18 at-bats, a solo blast off Jarret Wright in the fourth inning. "We got a real beating tonight."

Sosa hit his 31st homer and 18th in June in the first inning to match the mark for one month set by Detroit's Rudy York in August 1937, and break the NL record of 17 set by San Francisco's Willie Mays in August 1965.

Sosa has 11 homers in 12 games, and 22 in 25 games, but Chicago has lost four straight and 11 of 15.

Rankings 16, Braves 6 In Atlanta, David Cone allowed five hits in seven innings and Joe Girardi had three hits and two RBIs for New York.

Mariners 2, Padres 1 Ken Griffey Jr. hit his 30th home run and Seattle's ace, Randy Johnson, struck out 12 and reached base twice in San Diego.

Mets 6, Orioles 3 Rick Reed pitched seven solid innings and Mike Piazza had three hits and a home run for New York in Baltimore's first game in Shea Stadium against the Mets since losing Game 5 of the 1969 World Series.

Blue Jays 7, Expos 6 In Montreal, Roger Clemens picked up his first victory in five interleague starts as Toronto won its fourth straight.

Mariners 8, Devil Rays 4 Derek Lee hit a three-run homer and drove in four runs in Florida's victory at home over a former Marlins' pitcher, Tony Saunders (1-8).

White Sox 4, Reds 2 Frank Thomas and Magglio Ordonez homered and Ray Durham matched his career high with four hits as Chicago handed visiting Cincinnati its 11th consecutive loss.

Phillies 11, Red Sox 8 In Philadelphia, Mike Lieberthal had three RBIs as the Phillies tied their season high for runs and won their fourth straight game.

Braves 3, Twins 1 In Minneapolis, Jeromy Burnitz hit his 17th home run and Milwaukee's Steve Woodard held Minnesota to one run in 5 1/2 innings.

Athletics 7, Giants 6 Matt Stairs' pinch-hit grand slam in the eighth lifted visiting Oakland past San Francisco.

Pirates 3, Royals 2 In Kansas City, Kevin Young had three of Pittsburgh's season-high 9 hits and Mark Smith and Jose Guillen homered for the Pirates.

Rockies 8, Astros 6 Dante Bichette and Todd Helton homered as Colorado overcame a six-run deficit at home.

## SCOREBOARD

## BASEBALL

## MAJOR LEAGUE STANDINGS

## AMERICAN LEAGUE

## EAST DIVISION

Team	W	L	Pct.	GB
New York	52	19	.732	—
Boston	44	31	.587	10
Toronto	39	36	.520	15
Baltimore	37	41	.476	19 1/2
Tampa Bay	32	44	.421	22 1/2

## CENTRAL DIVISION

Team	W	L	Pct.	GB
Cleveland	36	40	.474	8 1/2
Minnesota	32	44	.421	12 1/2
Chicago	32	44	.421	12 1/2
Kansas City	29	45	.393	16 1/2
Detroit	25	49	.338	20 1/2

## WEST DIVISION

Team	W	L	Pct.	GB
Anaheim	44	33	.571	2 1/2
Texas	42	32	.567	7 1/2
Oakland	34	42	.447	12 1/2
Seattle	33	45	.423	14

## NATIONAL LEAGUE

## EAST DIVISION

Team	W	L	Pct.	GB
Atlanta	51	27	.654	—
New York	49	36	.573	10 1/2
Philadelphia	39	46	.459	20
Montreal	26	51	.338	24 1/2
Florida	26	51	.338	24 1/2

## CENTRAL DIVISION

Team	W	L	Pct.	GB
Houston	47	30	.610	—
St. Louis	42	35	.545	5
San Francisco	40	39	.510	9
Milwaukee	38	38	.500	10 1/2
St. Louis	38	38	.500	10 1/2
Pittsburgh	30	49	.383	18 1/2
Cincinnati	26	53	.329	23 1/2

## WEST DIVISION

Team	W	L	Pct.	GB
San Diego	50	28	.641	—
Los Angeles	47	30	.610	3 1/2
San Francisco	37	40	.481	12 1/2
Colorado	33	46	.418	17 1/2
Arizona	26	52	.333	24

## WEDNESDAY LINESCORES

## NATIONAL LEAGUE

Team	Score	Final
Houston	3-0	San Francisco
Colorado	0-4	Los Angeles
Berlin	7-1	St. Louis
San Francisco	7-1	San Diego
San Diego	7-1	San Francisco
San Francisco	7-1	San Diego
San Diego	7-1	San Francisco
San Francisco	7-1	San Diego
San Diego	7-1	San Francisco
San Francisco	7-1	San Diego

## AMERICAN LEAGUE

Team	Score	Final
Toronto	5-1	Minnesota
Minnesota	5-1	Toronto
Toronto	5-1	Minnesota
Minnesota	5-1	Toronto
Toronto	5-1	Minnesota
Minnesota	5-1	Toronto
Toronto	5-1	Minnesota
Minnesota	5-1	Toronto
Toronto	5-1	Minnesota
Minnesota	5-1	Toronto

## JAPANESE LEAGUES

## CENTRAL LEAGUE

Team	W	L	Pct.	GB
Yokohama	25	24	.510	—
Yomiuri	25	24	.510	—
Chunichi	22	26	.458	3 1/2
Hiroshima	22	26	.458	3 1/2
Yokohama	22	26	.458	3 1/2
Hiroshima	22	26	.458	3 1/2
Yokohama	22	26	.458	3 1/2
Hiroshima	22	26	.458	3 1/2
Yokohama	22	26	.458	3 1/2
Hiroshima	22	26	.458	3 1/2

## PACIFIC LEAGUE

Team	W	L	Pct.	GB
Nippon Ham	22	26	.458	—
Chunichi	22	26	.458	—
Yokohama	22	26	.458	—
Hiroshima	22	26	.458	—
Yokohama	22	26	.458	—
Hiroshima	22	26	.458	—
Yokohama	22	26	.458	—
Hiroshima	22	26	.458	—
Yokohama	22	26	.458	—
Hiroshima	22	26	.458	—

## THURSDAY RESULTS

## CENTRAL LEAGUE

Team	Score	Final
Yokohama	2-1	Yomiuri
Yomiuri	2-1	Yokohama
Yokohama	2-1	Yomiuri
Yomiuri	2-1	Yokohama
Yokohama	2-1	Yomiuri
Yomiuri	2-1	Yokohama
Yokohama	2-1	Yomiuri
Yomiuri	2-1	Yokohama
Yokohama	2-1	Yomiuri
Yomiuri	2-1	Yokohama

## PACIFIC LEAGUE

Team	Score	Final
Nippon Ham	2-1	Chunichi
Chunichi	2-1	Nippon Ham
Nippon Ham	2-1	Chunichi
Chunichi	2-1	Nippon Ham
Nippon Ham	2-1	Chunichi
Chunichi	2-1	Nippon Ham
Nippon Ham	2-1	Chunichi
Chunichi	2-1	Nippon Ham
Nippon Ham	2-1	Chunichi
Chunichi	2-1	Nippon Ham

## BASKETBALL

## 1998 NBA DRAFT

Selections from 1998 NBA draft with team, school, projected position and college, high school, or foreign team.

## FIRST ROUND

Team	Pick	Player	Position	School
1. Los Angeles Clippers	1	Michael Olowokandi	C	University of the Pacific
2. Vancouver	2	Mike Bibby	G	Arizona
3. Denver	3	Raef LaFrentz	F	Kansas
4. Toronto	4	Antawn Jamison	F	North Carolina
5. Charlotte	5	Nazr Mohammed	C	University of Kentucky
6. Dallas	6	Robert Traylor	F	Michigan
7. Sacramento	7	Jason Williams	G	Sacramento Kings
8. Philadelphia	8	Larry Hughes	G	St. Louis
9. Cleveland	9	Sammy Sosa	OF	Chicago
10. Detroit	10	Mark McGwire	OF	St. Louis
11. Minnesota	11	Rodriguez	OF	St. Louis
12. Houston	12	Steve Woodard	OF	Minnesota
13. New York	13	Kevin Young	OF	Pittsburgh
14. San Francisco	14	David Justice	OF	San Francisco
15. Atlanta	15	Jerome Blissett	OF	Atlanta
16. Boston	16	Tim Lincecum	OF	Seattle
17. Milwaukee	17	Radoslaw Nestorovic	OF	Slovenia
18. Phoenix	18	Nazr Mohammed	C	University of Kentucky
19. New Orleans	19	Travis Mays	OF	New Orleans
20. Orlando	20	Travis Mays	OF	New Orleans
21. Washington	21	Travis Mays	OF	New Orleans
22. Utah	22	Travis Mays	OF	New Orleans
23. Los Angeles	23	Travis Mays	OF	New Orleans
24. San Antonio	24	Travis Mays	OF	New Orleans
25. Indiana	25	Travis Mays	OF	New Orleans
26. Cleveland	26	Travis Mays	OF	New Orleans
27. New York	27	Travis Mays	OF	New Orleans
28. Philadelphia	28	Travis Mays	OF	New Orleans
29. Detroit	29	Travis Mays	OF	New Orleans
30. Houston	30	Travis Mays	OF	New Orleans

## SECOND ROUND

Team	Pick	Player	Position	School
1. Los Angeles	31	Travis Mays	OF	New Orleans
2. Vancouver	32	Travis Mays	OF	New Orleans
3. Denver	33	Travis Mays	OF	New Orleans
4. Toronto	34	Travis Mays	OF	New Orleans
5. Charlotte	35	Travis Mays	OF	New Orleans
6. Dallas	36	Travis Mays	OF	New Orleans
7. Sacramento	37	Travis Mays	OF	New Orleans
8. Philadelphia	38	Travis Mays	OF	New Orleans
9. Cleveland	39	Travis		



## WORLD CUP BRIEFS

4 Officials Held  
In Ticket Inquiry

Four senior officials at Prime Sports International, a U.S. company at the center of a World Cup ticket fraud investigation, were detained Thursday for questioning by Paris policemen.

The officials, who the police refused to identify, are being questioned after the company reported the burglary of 15,000 World Cup tickets from its Paris office last week. PSI said that thieves had scaled a heater and broken into a safe that contained the tickets.

But World Cup organizers questioned the burglary, saying that while PSI listed tickets for last week's match between France and Saudi Arabia among those stolen, a check at the Stade de France found the seats occupied with the ticket buyers.

One of 17 World Cup-approved travel agencies, PSI was already under investigation after a Madrid travel agency complained that it never received the 1,000 tickets it bought from PSI. (Reuters)

## AEK Out of UEFA Cup

Greek club AEK Athens will not be allowed to participate in the UEFA Cup competition unless its ownership changes by July 1, the Greek Football Federation said Thursday.

Greek officials said Marcus Stander, deputy secretary-general of UEFA, the governing body of European soccer, had notified them that AEK's owner, British investment firm ENIC, had chosen Slavia Prague, another team it owns, to participate in the UEFA Cup.

According to UEFA rules, if a firm owns more than one club, only one of them is eligible for each of the three main European Cup competitions.

Both AEK and Slavia qualified for the UEFA Cup.

Ionikos, fifth in the Greek championship standings last season, will take AEK's place in the competition. (Reuters)

## Brazilian Goes to Turkey

Taffarel, 32, the Brazilian goalkeeper, has agreed to join Galatasaray, the Turkish champion, a club spokesman said Thursday.

The spokesman, Turgay Vadar, said the transfer fee for the Atletico Mineiro goalkeeper would be announced after the final contract was signed. (Reuters)



AHEAD OF THE GAME — Brazil's Ronaldo and Aldair training Thursday near Paris.

Under the Weight of Grief  
Jonk Still Plays His Game

Dutchman's Loss Puts Draw With Mexico in Context

By Rob Hughes  
International Herald Tribune

SAINT-ETIENNE, France — For Wim Jonk, the 31-year-old Dutch midfielder, all things are relative in life and death.

In Saint-Etienne on Thursday, under perhaps an appropriately sorrowful cloud, he began his day with thoughts far away in the village of Volendam, where they buried his best friend, Harry Kwakman.

## NETHERLANDS 2, MEXICO 2

Even so, Jonk asked to be allowed to do his duty. He played 70 minutes for the Netherlands against Mexico in the falling rain, and while he was there, a pivotal player in the pass and move style that is classical Dutch football, his team was never troubled. Jonk is not an eye-catching performer. Tall and upright, like a guardsman, his first thought is to give the ball to a colleague.

He is always available, always serving, always has an eye on opening up the opposing defense with a pass that can be short or long but more often than not is precise. Against Mexico he smoothly anchored the team from a position between right wing and central midfield.

Jonk did not show his emotion during the game. His play was smooth, economical, concentrated and when he left the field, to a roar from the overwhelming majority of the crowd and a meaningful handshake from his coach Guus Hiddink, all was well with the clockwork Dutch Orange.

The team was coasting, two goals clear. Dennis Bergkamp, with marvelous invention, a flick-kick pass of almost languid ease, had created the opening goal after just four minutes. Phillip Cocu, discovering that life is a joy at center forward, alongside Bergkamp, simply glided onto this pass, ignored the challenge attempted by Claudio Suarez, and stroked the ball beyond the approaching goalkeeper Jorge Campos.

The art is in the timing, and through this goal, then a second of similar composure by Ronald De Boer in the 18th minute, the Dutch seemed to outclass Mexico. "Auld Lang Syne," chorused the mass of Dutchmen in orange, goodnight and goodbye Mexico.

For the rest of the time Jonk was on the pitch, the Dutch were in command. Indeed, there was a rhythm, a movement and a balance between the

Dutch that suggested this team, unlike the more gifted Johan Cruyff team of the 1970s, might win the World Cup.

In technique, they are masters. But in temperament? So often that is what betrays the Dutch, and it did again in Saint-Etienne. Aware that a draw would suffice, and that they would qualify for Round 2 simply by avoiding defeat, the Dutch attempted to win without trying and without risking further cards from yet another irritably unconvincing referee.

Things began to go wrong once Jonk was withdrawn to the bench. Complacency seeped in, and the Mexicans have proved in every game that they have an incorrigible spirit. In both their previous matches the had come from behind.

Once the Dutch invitation was offered, Mexico swarmed forward like angry bees. The first Mexican goal was a leaping header in the 75th minute by a substitute, Ricardo Pelaez, the second came in the fourth minute of time added on by the officials. Its scorer, Luis Hernandez, harassed Jaap Stam from behind, took advantage of the big defender's casual attitude, and began a celebration of hysterical proportions by his countrymen on the field and in the stands.

I dread to think what went through the mind of Alex Ferguson, the Manchester United manager who negotiated a £10 million world record fee for a defender when he purchased Stam from PSV Eindhoven two months ago. There are many who think no defender on earth is worth that sum, and many who believe the soccer market is insane.

Ten Mexicans were dancing on Stam's misfortune. The exception was Ramon Ramirez who, four minutes earlier, was sent off for disputing referee Abdul Rahman Zeid's correct decision to deny Mexico a goal when Hernandez was offside. In Paris, it transpired that South Korea had held Belgium, 1-1, and so all the passion spent and misapprehension, all the soccer pure and improper, was of no consequence.

The Netherlands and Mexico were destined to qualify whatever the result in their match. No one who saw the sour methods Belgium used to smother the Dutch will weep for that. And with Wim Jonk's week in mind, it is time we put a perspective on things. Soccer is a game, life is life.

Rob Hughes is Sports Correspondent of The Times of London.



The Mexican midfielder Ramon Ramirez, right, vying with Wim Jonk of the Netherlands.

## 3d Draw Sinks Belgian Team

The Associated Press

PARIS — Yoo Sang Chul stretched to knock in a free kick in the 71st minute Thursday, giving South Korea a 1-1 draw with Belgium.

The result ended Belgium's chances for moving ahead since Mexico and the Netherlands played to a 2-2 draw in Saint-Etienne.

Belgium needed both a victory over South Korea, which already had been eliminated, and a Dutch victory over Mexico to advance to the

## BELGIUM 1, SOUTH KOREA 1

second round. The Dutch needed only a draw to advance in Group E.

Belgium took the lead in the seventh minute when a header from Gordon Vidovic was blocked by a South Korean defender, only to be hammered past the diving goalkeeper, Kim Byung Ji, by Luc Nilis.

But Belgium's hopes were deflated with 19 minutes remaining, when Ha Seok Ju lofted a free kick from the left and Yoo stretched to hit the ball with his right foot, beating several diving Belgian defenders on the far side of the goal box. It was South Korea's first World Cup point after two opening losses.

It was also Belgium's third draw in the first round. "You have to be able to win at least one

game to advance and we could not," said the Belgian captain, Franky Van der Elst. "After a good start we fell back too quickly." Van der Elst is planning to retire from international soccer after playing in four World Cups.

Although already eliminated from the tournament, the South Koreans appeared determined to win their first match in five Cup appearances — their last opportunity before playing co-host to the next World Cup with Japan in 2002.

The South Korean coach, Kim Pyung Sook — promoted after Cha Bum Kien was fired following the team's 5-0 loss to the Netherlands — made few changes to the starting lineup. His players defended tightly, broke quickly and shot as soon as they saw the Belgian goal.

But the team was frequently outmaneuvered by the experienced Belgians.

There were other chances on both sides. In the 22d minute, Seo Jung Won ran down a long pass but bungled his shot from 12 meters. The ball bounced off his shin and he shot past the post. Then, in the 51st minute, Nilis hit the crossbar from six meters after cheating down a cross in the box and swiveling around two defenders, Ha and Lee Sang Hun.

The Brazilian referee, Rezende de Freitas, handed out yellow cards to Vital Borkelmans, Lee Lim Saeng, Lee Min Sung, and Ji, the goalkeeper.

## Security Tightened for 2 Risky Matches

The Associated Press

PARIS — British, French and German police forces were put on alert Thursday ahead of matches involving Germany and England.

German and British officers were screening people crossing into France near Lens, a northern town, where a policeman was bludgeoned by German fans after a match between Germany and Yugoslavia.

As many as 30,000 England fans were expected in Lens for Friday's game with Colombia. England fans were at the center of violence in Marseille when their team played Tunisia.

More than 1,200 police have been deployed with another 1,000 in reserve.

In Montpellier, in the far south of France, 1,500 French officers were on the streets, ready for the German fans who were expected for the Germany-Iran game on Thursday.

Bars in Montpellier were told to close early and in Lens not to serve alcohol at all. Stores in

both towns have been forbidden to sell alcohol.

The German Interior Ministry said its border units had checked some 10,000 people crossing the frontier into France and that 14 suspected troublemakers had been stopped.

The French press reported that German hooligans were heading to Lens to fight the English.

Superintendent Kenny Scott, a Scottish police liaison officer in France for the competition, said: "It's all rumor and conjecture."

He also said Internet sites urging German hooligans to show up in Lens did not mean anyone would do so.

A young Austrian who took close-up pictures of a brutal attack on a French policeman after a World Cup match on Sunday was released without charge after about 30 hours in custody, justice sources said on Thursday. They said he had "cooperated totally."

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## Stop All the Carping: Referees Doing a Good Job, Says FIFA Official

The Associated Press

PARIS — The whipping boys of the World Cup heard unaccustomed praise Thursday, and a Swedish television footage seemed to show that one of the tournament's most debated decisions was right on the money.

Referees, blasted over the last few days by everyone from players to government officials, were defended by their top supervisor for making the right calls in the overwhelming majority of cases.

Criticism continued in the wake of borderline calls in key matches. The leader of African soccer said teams from the continent were made to feel like "undesirables." Tournament leaders, however, said the mistakes that occurred had been honest and few.

Of the first 40 games, all but three featured acceptable officiating, as found

in post-match reviews, according to David Will, the head of refereeing for FIFA, world soccer's governing body. The below-par games were not identified but Will said they were not affected by red cards or single borderline calls.

"Of course, there have been mistakes," Will said. "It is absolutely impossible to go through 40 matches without there being mistakes."

Will said the last World Cup in 1994 in the United States produced four unsatisfactorily refereed matches, all in the first round when there were fewer games than in this edition.

Overall, referees are averaging grades of 8.3 out of 10, with the grades rising in the last week, Will said. Most have received 8 or 9, a solid "B."

"We remain generally satisfied with the performance of the referees," he said.

"The overall standard remains high — higher than in the United States, to be sure," he said in the grades would be used in picking refs for later rounds.

"Of course, it depends on performance," he said. "We are looking for calls that are strong, good, effective and proper. We will retain good referees. We have more than enough to make that an easy choice."

Will's comments at a news conference came amid a torrent of criticism of the referees. Players and coaches said they were inconsistent. FIFA president Joseph Blatter said they were too soft on hard fouls. A government minister in Cameroon said they were part of an anti-African plot.

Will said they were doing their job well. "The referees play it straight," he said. "They call it as they see it. They don't have the benefit of replays from five angles."

Instant replay to backstop calls would not work in soccer, except perhaps on goals, because of the constant flow of the game. Will said. But he added that replays would evidence to support one of the most argued calls of the Cup.

Esse Bahamast of the United States called a foul on Junior Baiano of Brazil that set up the winning penalty kick in Norway's 2-1 victory Tuesday. That moved Norway into the second round and eliminated Morocco, a 3-0 winner over Scotland.

Initial replays failed to show a clear foul. But Will pointed to photos taken from the Norwegian television network NRK, and distributed on NRK's web site, that show Baiano grabbing the jersey of the Norwegian player Tore Andre Flo in the penalty area. Footage shot from behind the goal by a Swedish television company also shows Baiano pulling Flo.

"The referee, from his angle, took a decision and played it as he saw it, direct and straightforward," Will said. "You can look at television and photographs and pictures on the Internet. But the referee has to make a decision on the field in a split second as he sees it."

Laszlo Vagner, a Hungarian referee, nullified a goal that would have put Cameroon ahead of Chile 2-1, where replays showed contact, but no clear foul. The 1-1 tie meant Chile advanced and Cameroon was out.

Both Bahamast and Vagner were appointed Thursday as reserve referees for second round matches.

Will dismissed charges of political favoritism as "just ridiculous." He said, "The referees are not the slightest bit interested in the political situation. They are simply refereeing the game."



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WORLD CUP

# Germany and Yugoslavia Advance with Comfortable Victories

## 2d Half Goals End Iran Hopes Of Qualifying

Compiled by Our Staff From Dispatches

MONTPELLIER — Two headed second-half goals gave Germany a 2-0 victory over Iran on Thursday and first place in Group F.

Germany won the group on goal differential ahead of Yugoslavia, which defeated the United States, 1-0, in the night's other match. Iran, which scored its first-ever World Cup victory, over the United States on Sunday, was eliminated.

The Germans will return to Montpellier on Monday to play Mexico in the second round.

Iran needed to win the match to eliminate the Germans and advance to the second round in their place. But, while

they defended doggedly for most of the match, the Iranians rarely looked like scoring themselves.

Germany pressed for most of the first half but was unable to break down a stubborn Iran defense.

A shot over the bar by Oliver Bierhoff after four minutes and a miss-hit volley by Thomas Haessler were the closest the three-times champions came to scoring as poor passing brought most of their moves to a premature end.

German frustration showed after 32 minutes when captain Jürgen Klinsmann was cautioned for dissent.

Five minutes before the interval Karim Bagheri hit a long-range shot from a free kick which Andreas Koepke, the German goalkeeper, just managed to save, diving down low at his right-hand post.

At half time, Bert Vogts pulled off Olaf Thon, the libero, moved Lothar Matthäus, who had started in midfield, back into defense and brought on Di-



Mehdi Pashazadeh of Iran sweeping past Thomas Haessler of Germany on Thursday. Germany triumphed, 2-0.

etmar Hamann. The second half began with some uncompromising tackling from both teams. German midfielder Thomas Haessler and Iran forward Ali Daei were both shown yellow cards for untidy challenges. Then Bierhoff, who had earned Germany a draw against Yugoslavia with a late goal, gave them the lead in the 50th minute. After a clever build-up on the right, Haessler

ran into space near the corner flag and swung a cross into the goal mouth. Bierhoff outjumped the defense and beat the flatfooted Ahmad Abedzadeh, the Iranian goalkeeper, with a downward header.

The second goal, in the 58th minute, was also a well-crafted piece of soccer. Jörg Heinrich chased down a long pass and one-touched the ball right to Bier-

hoff, who one-timed his shot off the left post. Klinsmann was there for the easy rebound, putting it in with an acrobatic, diving header.

Before the game, the German foreign minister, Klaus Kinkel, met with French police and expressed his government's sympathy for the French police officer who was beaten into a coma by German hooligans Sunday. (AP, Reuters, AFP)

## Luckless United States Loses, 1-0, And Heads Home Without Victory

Compiled by Our Staff From Dispatches

NANTES, France — Yugoslavia beat the United States, 1-0, Thursday in a match that turned out to be meaningless for both teams.

The Americans, who already had been eliminated, merely were playing for pride. As it turned out, so were the

YUGOSLAVIA 1, U.S.A. 0

Yugoslavs, who already had clinched a place in the second round and hoped for a big victory to overtake Germany on goal difference and advance as the winner from Group F.

But a 2-0 victory by Germany over Iran in Montpellier squelched those hopes, and the second half turned into a midfield quagmire.

For the second straight game the match had political overtones for the Americans, who were coming off a 2-1 loss to Iran.

The Yugoslavs scored after three minutes, and finished the match strolling round the field in complete control, but for much of the first half they were unable — or unwilling — to suppress the energetic Americans.

From the time they scored, Yugoslavia seemed content to settle for a one-goal margin — despite coach Slobodan Santrac's statements before the match that they would go flat out for goals.

As against Iran, the Americans dominated possession early and hit the post quickly only to be frustrated.

Frankie Hejduk sent a falling cross that got over the head of goalkeeper Ivica Kralj and struck the far post after 24 seconds, but the Yugoslavs cleared and absorbed several American forays in the first 45 minutes.

The Yugoslav goal came on its second shot and first threatening chance in the U.S. half.

Sinisa Mihalovic blasted a curling 35-meter free kick that American goalkeeper Brad Friedel, playing in his first match in the World Cup finals, two-handed away but straight at Slobodan Komljenovic.

Komljenovic, who was standing beyond the goal and almost on the goal line, guided his header back inside the post, behind the recovering Friedel and into the goal.

The goal didn't seem to slow the Americans, who continued to push forward and got a powerful header from the top of the box out of Brian McBride that Kralj handled in the 15th minute.

Hejduk put another shot on goal with a scissors kick in the 25th, and the Americans generally created more chances than the Yugoslavs.

One of Yugoslavia's serious chances came in the 28th minute when Savo Milosevic blasted a shot from the right that Friedel had to punch away.

The Yugoslavs slowed the Americans in the second half, limiting them to a handful of serious chances, but not creating much more themselves.

About the only excitement for either team came in the way of substitutions. Yugoslavia brought on Dejan Savicovic, the AC Milan forward, for his first action in two months and Yugoslav native Predrag Radosavljevic came on for the United States against his former countrymen.

The match was being played at a time of political tension between the two nations. Richard Holbrooke, U.S. envoy to the United Nations, was in Yugoslavia in a last-ditch attempt to end fighting between Yugoslav security forces and ethnic Albanians in Kosovo Province.

Yugoslavia's reward for finishing second is a meeting with the Netherlands in the second round in Toulouse on Monday. (AP, Reuters, AFP)

## WORLD CUP SCOREBOARD

### FIRST ROUND

#### GROUP A

	W	T	L	GF	GA	Pts
U.S.A.	2	0	0	5	2	6
Yugoslavia	1	1	0	4	2	4
Germany	1	1	0	5	4	4
Iran	0	1	2	2	6	1

#### GROUP B

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP C

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP D

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP E

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP F

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

### SECOND ROUND

#### GROUP G

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP H

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP I

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP J

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP K

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP L

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

### THIRD ROUND

#### GROUP M

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP N

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP O

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP P

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP Q

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

#### GROUP R

	W	T	L	GF	GA	Pts
France	2	0	0	4	2	6
Denmark	1	1	0	3	2	4
South Africa	1	1	0	3	2	4
Sweden	0	1	2	2	7	1

## England and Colombia: Crunch Time

### Compiled by Our Staff From Dispatches

Argentina vs. Croatia, Bordeaux, 4 P.M. Group H reaches a dead end Friday, when the more interesting game will probably be the one between two teams that have already been eliminated, Japan and Jamaica.

Argentina and Croatia, both already assured of a place in the second round, play each other in Bordeaux with first place in the group as a prize, but it is not much of a prize.

The second-place team will play the winner of Group G (probably Romania but possibly England or Colombia), while the winner will play the second-place team in Group G (England, Colombia or, perhaps, Romania). Croatia needs a victory to push Argentina out of first place.

Daniel Passarella, the Argentine coach who has announced he will step down after the World Cup, will probably not risk the defenders Roberto Sensi, who is injured, and Jose Chamot, who would miss the second round if he receives a yellow card.

Miroslav Blazevic, the Croatian coach, has promised to field his strongest team. Zvonimir Boban, the Croatian captain, is likely to return after a leg injury.

Jamaica vs. Japan, Lyon, 4 P.M. Pride is at stake in Lyon where two teams in their first World Cup will both be play-

ing their last match but seeking their first victory. Jamaica has a slight edge: it at least has scored a goal.

Takeshi Okada, the Japanese coach, has said his team will be more offensive. The defender Eisuke Nakanishi is suspended.

Rene Simoes, the Jamaican coach, said, "Just being here was great for

### FRIDAY MATCHES

Jamaica and if we take the chances we've been making we should finish on a high note," he said.

It will be the last match of Robbie Earle's brief international career; the 33-year-old Briton, who scored Jamaica's World Cup goal against Croatia, has said this will be his last international.

England vs. Colombia, Lyon, 9 P.M. It hardly matters what happens between Romania and Tunisia, the final place in the second round will be decided in a straight battle between Colombia and England.

Colombia needs to win to push England out of second place.

Both teams have struggled to score, and both could start young strikers. Michael Owen, 18, of England, and Leider Preciado, 21, of Colombia, both came on as substitutes in their countries' previous matches and scored.

Preciado's goal against Tunisia was the only one Colombia has scored so far.

Glenn Hoddle has indicated that he will pick Owen, Hernan Darío Gomez, the Colombian coach, has been more guarded about Preciado.

The Colombians will have been encouraged by the sight of the English midfielders struggling hopelessly to regain possession against Romania's accurate passing. If there is one thing the Colombians can do better than anyone, it is pass the ball around in midfield.

Romania vs. Tunisia, Saint-Denis, 9 P.M. Romania is already through and may field a less than full-strength team.

Five Romanian players — the defenders Gheorghe Popescu, Dan Petrescu and Liviu Ciobotariu and the midfielders Gheorghe Hagi and Dorinel Munteanu — all have one yellow card and will miss the next match if they receive another against Tunisia.

The midfielder Ovidiu Stinga is out with ligament problems and will miss the rest of the tournament.

Anghel Iordanescu, the Romanian coach, also thinks some players need a rest.

The best Tunisia can hope for is to end a run of four World Cup matches without scoring dating back to their last finals appearance in 1978. (AP, AFP, Reuters)

### DENNIS THE MENACE



"MR. WILSON, WILL YOU COME SING THE NATIONAL ANTHEM, SO WE CAN START OUR GAME?"

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Unscramble these four words to form one word. In four letters, it is the name of a famous person.

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TULB

CRAFTO

FOUNSI

ANS: HEN

ANSWER: MONEY, GUN, ANYWAY, WALRUS

ANSWER: What the gun goes when he ate the walrus.

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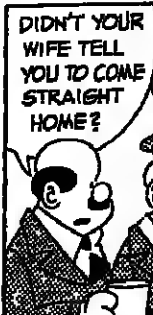
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## POSTCARD

## Tales of Two Farmers

By Seth Faison  
New York Times Service

XIAN, China — Just outside the archaeological dig that made this ancient city famous sit two old farmers who share at least three things: the name Yang, the stubble of a not too recently shaved head and the claim to have unearthed China's greatest historical find of the century.

It is such a spectacular site — an army of terra-cotta warriors built to guard the tomb of Qin Shihuang, the emperor who unified China in 220 B.C. — that President Bill Clinton is making his first stop here when he arrives in China.

Yet Clinton, traveling with an entourage of more than 1,000, may not have a chance to stop and meet either of these two men. And that is too bad, because they tell quite a tale. Two different tales, actually.

"I found the soldiers," asserted Yang Quanyi, 70, the older and shorter of the two, who now works in a gift shop signing coffee-table books about the soldiers. "Don't believe what other people tell you." As if to prove his claim, Yang pointed at the enormous color sign hanging over his table. "The Man Who Discovered the Terra-Cotta Warriors," Yang Quanyi.

If Yang seems inept at describing how he actually made the discovery, he tries to make up for it by saying over and over, in a conspiratorial whisper, that it was indeed he who made the big find.

In a nearby building, beside another collection of tourist kitsch, the other Yang also spends his days posing for photographs and signing his name. At 60, Yang Zhifa is a tall, kindly farmer, happy to smile and pose for a photo-

graph. But his amiable demeanor vanishes when his competitor's name comes up. "If he can claim he found it, so can you!" he said, frowning sternly. "Ask him what time of day the discovery was made. Eh? Ask him what day and what time, and see what he says."

Encouraged to put aside the dispute for a moment and tell his story, Yang Zhifa regained his calm and explained how the terra-cotta warriors had come to be unearthed.

In March 1974 an unusually bad drought prompted the local commune leader to send several farmers to dig a well in Lintong, just outside Xian. It was about noon on the third day of digging, Yang Zhifa said, when he and another farmer were six feet deep in a cylindrical hole and his shovel hit something hard. Digging it out, Yang Zhifa saw the better part of a torso-shaped piece of terra cotta, carved in the shape of a warrior's tunic, he said.

As it turned out, the site of the well was only inches inside the original front entrance of the underground vault.

No written record of the terra-cotta vault existed, so archaeologists were stunned as they uncovered its full length, several hundred yards — and then found three smaller vaults behind it. The excavation continues and will probably take decades longer.

At the tourist stores outside the site, the two old farmers may continue their competing claims for just as long.

Regardless of the competing claims, the two Yangs can agree on one thing: They prefer sitting in a tourist shop, signing picture books for \$35 a month, to tilling the fields, no matter what may lurk beneath the soil.

## In Britain, a Slow Burn Over the Arts Gets Hotter

By Warren Hoge  
New York Times Service

LONDON — A number of Britain's best-known performing arts institutions are in financial crisis, and directors and producers are assailing the government of Prime Minister Tony Blair for aggravating their plight by devoting too much of its attention to popular culture.

In a debate fueled by a combustible mixture of hurt, anger and lost money, they are accusing the government of cheating treasured British stage and concert hall traditions and directing funds only to art forms that it believes have contemporary relevance, wide appeal and economic potential.

"They talk about how Dylan is really as good as John Keats, they bang on about pop music, Cool Britannia, and they seem to favor film, television, video, rock music, architecture, design, and not to favor classical music, dance and theater," said Sir Peter Hall, the director who is a former head of the National Theatre and the Royal Shakespeare Company. He said he had concluded that "they are hostile to the arts."

The performing arts leaders, trained to assign dramatic importance to subtle changes in behavior, have been alarmed by the atmospherics surrounding the debate. Many more government ministers show up these days at pop music awards ceremonies than in theaters and opera houses, and the ceremonial rooms at the prime minister's official residence, 10 Downing Street, have increasingly become scenes of cocktail parties for glamorous stars of television, movies and rock.

John Tusa, 62, chairman of the Barbican Center, the stage, concert hall and movie complex in the center of London, said the 45-year-old Blair and his colleagues were victims of a 1960s generation mind-set. "They are much less attached in every sense — in their experience, in their knowledge and in their beliefs — to whatever we're encumbered with, the Western history and culture that are our intellectual moorings," he said.

The Labour government has continued the Conservatives' policy of reducing subsidies to arts groups, and budget deficits have forced regional theaters to close, orchestras to make survival cutbacks in programming and museums to charge admission. In a letter to Culture Secretary Chris Smith last week, Sir Colin Southgate, chairman of the Royal Opera House at Covent Garden, said the



Two actors in the drama: Robinson of Granada Group, left, and Eyre.

historic hall would not be able to reopen after its renovation unless its annual \$24 million grant was doubled.

Assistance to the arts, including the yearly \$300 million grant to the Arts Council, which distributes government funds, has not increased since 1993, and the council estimates that this has amounted to a cut of 15 percent in real terms. When Labour came to power, 14 months ago for the first time in 18 years, people in the arts clung to the notion that it would loosen the government's grip on money. In fact, the Labour platform pledged the party would abide by Conservative spending limits the first two years in office, and no exception has been made for the arts.

Hosilities came to a head late last month when some prominent people in theater and dance resigned en masse from their Arts Council panels. They were protesting a decision by the council's new chairman, Gerry Robinson, the chairman of Granada Group, the television, hotel and theme-park conglomerate, that appeared to exclude people from the arts in decision making on culture

subsidies. Sixty directors, producers and playwrights led by Hall, Sir Cameron Mackintosh and Sir Alan Ayckbourn wrote a letter to Smith saying they would have no more dealings with the council.

Sir Richard Eyre, former director of the National Theatre, made an impassioned speech defending theater at the annual Royal Academy dinner May 27 in which he turned the name of the arts' onetime Conservative nemesis to his advantage.

"Working in the theater," he said, "I sometimes feel like a Thatcher — the sort that cuts up straw, not cabinets — in pursuit of a craft that seems increasingly anomalous when set aside the confident certainties of video games and Terminator 2." Electronic games are a \$1.5 billion business for Britain, and the Culture Ministry has singled it out for encouragement.

A particularly galling example to the government's critics is the Greenwich Theatre, which folded on March 28 when it lost its \$330,000 grant. The now darkened stage is in the same neighborhood as the govern-

ment-sponsored \$1.2 billion Millennium Dome, the vast new arena going up on the Greenwich meridian as the centerpiece of Britain's commemoration of the new century.

The dome has become a convenient symbol for the distressed champions of high culture, because the government has hinted that it plans to use it to portray British culture with trade-show presentations, multimedia theme-park attractions and virtual-reality displays. It will be the largest building of its kind in the world, more than twice the size of the current tape breaker, the Georgia Dome in Atlanta. Blair visited the site on Monday for a ceremony marking the completion of the highest point of the dome roof and proclaimed it a showcase of "the best of British."

Hugo Young, columnist for The Guardian, said, "Many temples of great culture all over the country are struggling to survive, while a fortune exceeding that spent on the entire Getty Museum in Los Angeles, which was built for the centuries to house work for the ages, is lavished on a cultural statement that is proud to proclaim its utter ephemerality."

Smith has defended the government's approach to supporting the arts as one that rewards tighter management and celebrates endeavors that are accessible to the most people, help educate people in the arts and have "economic significance." He said the government found it easy to back the \$7 billion popular-music industry because it "doesn't need nannying, it doesn't even need a raft of tax incentives or handouts from the state." He has said that he hoped to stimulate the "creative industries" that amount to an \$82 billion enterprise in Britain, creating jobs, exports and allure.

A Parliamentary committee this month took a different view, saying that Smith was "obsessed with the glamorous and trivial matters." An editorial in The Evening Standard said that Smith was demonstrating that "even highly educated Labour ministers have become infected with the sort of old populist nonsense that equates reggae music with Beethoven, which holds that if there is no mass audience for something, it can't be worth much — or at least many votes."

The original Conservative cuts were made in the name of seeking more support from the private sector. Private donations to culture are rising in Britain, but they do not come close to levels of giving in the United States, and people in the arts here believe they never will. "It's not in our tradition," said Hall.

## PEOPLE

ONE of Hollywood's highest-profile couples, Bruce Willis and Demi Moore, are ending their decade-long marriage, Moore's publicist said. Pat Kingsley declined to elaborate on whether it was a separation or a divorce, and she could not say who would have custody of the couple's three daughters. Willis and Moore were married on Nov. 21, 1987. Willis's publicist, Paul Bloch, said that the statement was true but that because it was released by Kingsley he would have no further comment.

The Kennedy Center in Washington has received a \$7 million bequest — its largest single gift ever — from a trust created by Carolyn Agger, the Washington lawyer and widow of former Supreme Court Justice Abe Fortas, who died in 1996. The grant will help to support and expand the chamber music programming at the center's Terrace Theater, which Fortas helped build. Because of the gift, the theater "will be able to continue its role as a leading presenter of the world's great chamber music artists," said James Johnson, the center's chairman. Agger, a Washington lawyer for more than 40 years, was a partner in the tax department office of Arnold & Porter for three decades.

The Dutch singer Marco Bakker was found guilty of vehicular homicide and sentenced to six months in prison. According to the District Court verdict, the operetta singer had at least twice the legal limit of alcohol in his blood when the

car he was driving hit and killed a 38-year-old woman walking down the street. A prosecutor's office spokesman said the prison sentence could be exchanged for 240 hours of community service, adding that Bakker was also banned from driving for one year.

Representing Tom Cruise and Nicole Kidman, the heavyweight Hollywood lawyer Bert Fields says he is planning to sue federal and state prosecutors on The Globe, a supermarket tabloid, for printing what is said to be the contents of a private telephone conversation between the couple. In an article with the headline "Is Tom Cruise's Marriage Hanging by a Thread?" published in The Globe's June 30 issue, the newspaper says that in the taped conversation both complain about the state of their marriage. Fields characterized the tape as "phony," said it was apparently spliced together from several conversations that had been illegally intercepted. He said he intended to file civil lawsuits as well. Tony Frost, editor of The Globe, said, "The Globe does not break the law, and we do not invade people's privacy."

Stella McCartney has quit a government-appointed panel that has been assigned to modernize Britain's image. The Foreign Office said Paul McCartney's daughter, a 26-year-old designer for the Paris fashion house Chloe, cited work pressures in stepping down from Panel 2000.

## Sad End to Chinese Opera Saga

New York Times Service

SHANGHAI — After a final round of negotiations, Shanghai failed to yield a compromise, the Bureau of Culture here has refused to let a classic Chinese opera be staged next month at the Lincoln Center Festival in New York. The festival's director, Nigel Redden, said late Wednesday night that Shanghai officials maintained that the production of the opera, "The Peony Pavilion," would have to be extensively revised to better reflect Chinese tradition before it would be allowed to travel to the festival. He said the officials insisted on a new set of rehearsals that would make it impossible for the opera, a 20-hour production that was to have been presented in several segments, to open July 7 as planned.

In Paris, meanwhile, an arts festival that is co-producing the opera with Lincoln Center expressed "astonishment" that the Kunqu Opera Company had been barred from New York and urged the Chinese government to intervene to settle the problem. Josephine Markovits, artistic director of the Festival d'Automne a Paris, said she had been working to reverse the Shanghai Bureau of Culture's decision through diplomatic channels and in coordination with Lincoln Center. "We decided to keep a low profile in the hope that this would help," she said, commenting on the absence of reports of the incident in French newspapers.

After performances in New York next month and Paris in November, the opera was to have gone to Caen in December and to Sydney and Hong Kong in January.



Moore and Willis, their publicists say, are splitsville.



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